



Report to the Mississippi Legislature

FY 2021 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

#667
December 15, 2021



PEER: The Mississippi Legislature's Oversight Agency

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The Mississippi Legislature

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December 15, 2021

Honorable Tate Reeves, Governor
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On December 15, 2021, the PEER Committee authorized release of the report titled *FY 2021 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board*.

A handwritten signature in black ink, appearing to read "Timmy Ladner".

Representative Timmy Ladner, Chair

This report does not request increased funding or additional staff.

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CONCLUSION: Funding from state, local, federal, and other sources was sufficient for charter schools in FY 2021. However, the local ad valorem pro rata calculation required by state law continues to provide for unequal shares between charter schools and the school districts. FY 2021 was the third year the state funding formula, in which each charter school provides 3% of its state and local per-pupil revenue to MCSAB, generated sufficient funding to support the Board's activities for the year. Having analyzed several consecutive years of financial data from MCSAB, PEER believes that MCSAB has achieved the financial stability to operate on less than 3% of charter school revenues. MCSAB plans to request a no-cost extension on its Charter School Program (CSP) grant in 2022 so that it can continue to work toward its goals (e.g., increasing the number of charter schools and charter school seats).

Background

The Mississippi Charter School Authorizer Board (MCSAB), a state agency of seven appointed members, is the sole authorizing body for charter schools in the state and is responsible for oversight of charter school operations. As of December 2021, the Board has three staff members.

During the 2021 application cycle, MCSAB did not approve any charter school applications on the recommendation of its independent evaluator, SchoolWorks.

During the 2020-2021 school year (SY 2020-2021), seven charter schools (five located in Jackson, one located in Clarksdale, and one located in Greenwood) served 2,417 students.

During SY 2020-2021, six charter schools administered the Mississippi Academic Assessment Program (MAAP) to students in 3rd through 8th grade. Academic performance dropped from SY 2018-2019 to SY 2020-2021, presumably due to the learning loss resulting from COVID-19.

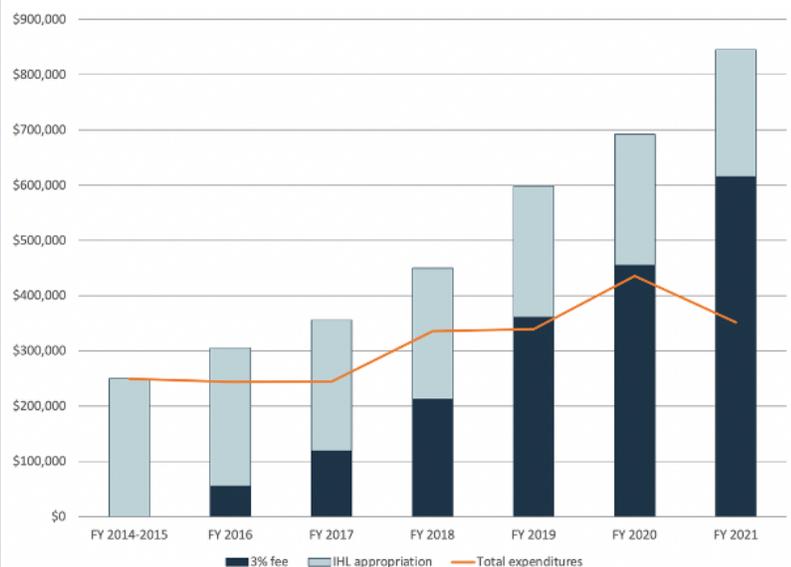
At its June 2021 Board meeting, MCSAB approved a four-year renewal contract for Joel E. Smilow Prep (i.e., Smilow Prep), with conditions.

In 2017, the U.S. Department of Education awarded a five-year, \$15 million CSP grant to MCSAB to help expand the state's charter school sector. MCSAB had spent only 17% of its total grant funds by the end of the fourth year of the grant. At the time of application, MCSAB expected to have expended 74% of its grant funds by FY 2021.

Charter Schools in Operation in FY 2021

Charter School	Grades Served
Midtown Public	Grades 5 through 8
Reimagine Prep	Grades 5 through 8
Smilow Prep	Grades 5 through 8
Smilow Collegiate	Grades K through 3
Clarksdale Collegiate	Grades K through 4
Ambition Prep	Grades K through 2
Leflore Legacy	Grade 6

MCSAB Appropriations and 3% Fee Revenues Compared to Expenditures, FY 2014 through FY 2021



Report Conclusions

- 1 The current constitution of Board members' staggered terms results in three Board members rolling off at one time, potentially impacting the Board's quorum requirement.
- 2 On recommendation by its independent evaluator, MCSAB did not approve any applications for charter schools in 2021.
- 3 Academic performance of the charter schools that administered MAAP assessments in both the 2018-2019 and 2020-2021 school years dropped in all three academic areas, presumably due to the learning loss resulting from COVID-19. Notably, due to school closures resulting from COVID-19, students did not take the MAAP assessments in the 2019-2020 school year.
- 4 MDE distributed MAEP funding to charter schools at the same amounts it provided MAEP funding to the school districts in which those charter schools were located (before add-on program costs), in accordance with statute.
- 5 The local ad valorem pro rata calculation required by statute provides unequal shares between charter schools and the school districts. The total dollar amount of unequal funding from FY 2017 to FY 2021 for JPSD was \$1.4 million.
- 6 FY 2021 was the third year the state funding formula for MCSAB provided enough funds to cover the operations of the Board.
- 7 MCSAB's 3% fee revenues have increased at a greater rate than its expenditures. Therefore, PEER believes MCSAB has achieved the financial stability to operate on less revenue.
- 8 Neither MCSAB's contract with Professional Polish to provide assistance to potential and currently operating charter applicants and schools; nor its contract with Champe Carter to develop, create, and implement a "Best Practice Tool Kit" for aspiring, approved, and operating charter schools included performance metrics to help assess the level of services MCSAB is receiving.

Recommendations

1. The Legislature should consider amending the MISS. CODE ANN. § 37-28-11 (1) (1972) to replace the 3% authorizer fee with funding from available funds; or, if the legislature chooses to keep the 3% fee, consider amending § 37-28-11 (1) to allow MCSAB to receive up to 3% of annual per pupil allocations.
2. The Legislature should, because MCSAB is defined as a state agency, consider enacting a separate appropriations bill for the Board. Such a bill should contain the total amount of funds appropriated for the operations of the Board and a total number of authorized full- and part-time positions.
3. MCSAB in consultation with MDE should, in order to make the pro rata distribution of local ad valorem funds equitable between school districts and charter schools, submit to the Senate and House Education Committees by January 1, 2023, a proposed amendment to MISS. CODE ANN. §§ 37-28-55 (2) and (3) (1972) revising the calculation such that traditional public-school students and charter school students in those districts receive equal per-pupil local ad valorem funding.
4. The Legislature should consider reconstituting the Board to establish terms of office that, when concluded, minimize the impact on the Board's operations.
5. As recommended by NACSA, MCSAB should revise its renewal process timeline to allow for earlier renewal decisions so that parents and schools know as early as possible whether the school will continue to operate the following year.
6. To improve the effectiveness of its contracts for the CSP grant, MCSAB should include strategic, measurable, actionable (achievable), relevant, and time-based (SMART) metrics in its contracts and use these metrics to assess the contractor's performance over time.
7. To improve the relevance and utility of its technical assistance provider satisfaction survey, MCSAB should ensure that the survey design incorporates best practices. In particular, MCSAB should:
 - a. adjust the timing of its survey so that results are not skewed based on the approval or denial decisions of MCSAB;
 - b. consider conducting a survey after each phase of the application process; and,
 - c. revise ambiguous survey questions so that they are more clearly stated and provide for more targeted feedback.MCSAB should use the results of the survey to guide the work of its technical assistance provider so that applicants receive the highest level of assistance possible during the application process.

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Introduction

Authority, Scope, and Purpose

In 2013, the Mississippi Legislature enacted the “Mississippi Charter Schools Act of 2013” (Chapter 497, *Laws of 2013*), which repealed the “Conversion Charter School Act of 2010”¹ (MISS. CODE ANN. Sections 37-165-1 [1972] et seq.) and provided authorization for a charter school oversight board and guidance for the formation of charter schools in Mississippi.

As stated in MISS. CODE ANN. Section 37-28-37 (2) (1972):

The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) shall prepare an annual report assessing the sufficiency of funding for charter schools, the efficacy of the state formula for authorizer funding, and any suggested changes in state law or policy necessary to strengthen the state’s charter schools.

PEER conducted this review in accordance with MISS. CODE ANN. Section 5-3-51 (1972) et seq.

This annual report on charter schools addresses the three mandates in state law: sufficiency of funding for charter schools; efficacy of the state formula for authorizer funding; and suggesting changes in state law or policy to strengthen the state’s charter schools. PEER notes that the Legislature made significant changes to the “Mississippi Charter Schools Act” in 2016 in an effort to strengthen the act.

The scope of this review includes the seven charter schools that served students during the 2020–2021 school year (SY 2020–2021): Midtown Public Charter School, Reimagine Prep, Joel E. Smilow Prep, Joel E. Smilow Collegiate, Ambition Prep, all of which are located in Jackson; Clarksdale Collegiate, which is located in Clarksdale; and Leflore Legacy Academy, which is located in Greenwood.

¹ The “Conversion Charter School Act of 2010” provided a means whereby the parents or guardians of students enrolled in a chronically underperforming local public school could petition the Mississippi State Board of Education to convert the public school to a conversion charter school. This conversion status would have required a contract issued by the State Board of Education.

Additionally, this report analyzes how the Mississippi Charter School Authorizer Board (MCSAB) has managed its \$15 million federal Charter Schools Program (CSP) grant from the United States Department of Education.

Method

In conducting this review, PEER:

- reviewed relevant sections of state law;
- interviewed staff members of MCSAB, Midtown Public Charter School, Reimagine Prep, Joel E. Smilow Prep, Joel E. Smilow Collegiate, Clarksdale Collegiate, Ambition Prep, Leflore Legacy Academy, and the Mississippi Department of Education (MDE); and,
- reviewed federal, state, and local funding information provided by charter schools, MCSAB, MDE, Institutions of Higher Learning (IHL), and the Mississippi Department of Finance and Administration (DFA).

Background

This chapter serves as an update to previous PEER reports on the following information:

- the membership and staff of MCSAB;
- charter school applicants in MCSAB's 2021 application cycle;
- charter schools serving students in SY 2020–2021; and,
- update on MCSAB's evaluation of charter school performance.

Membership and Staff of the Board

MCSAB is a state agency of seven appointed members. However, the Board as currently constituted is not required to be staggered so as to ensure the Board's ability to establish a quorum at its meetings. MCSAB is the sole authorizing body for charter schools in the state and is responsible for oversight of the schools' operations. As of November 2021, the Board had three staff members.

Membership of the Board

As currently constituted, the Board's appointments are not staggered in such a manner to ensure that a quorum can be established at all of its meetings.

MISS. CODE ANN. Section 37-28-7 (3) (1972) outlines the composition of MCSAB. The appointment of the Board is as follows:

- The Governor appoints three members, one member from each of the Mississippi Supreme Court districts.
- The Lieutenant Governor appoints three members, one member from each of the Mississippi Supreme Court districts.
- The State Superintendent of Public Education appoints one member.

All appointments must be made with the advice and consent of the Senate. See Exhibit 1 on page 4 for a list of current Board members and their terms. See Appendix A on page 59 for a list of Board members from FY 2018 through FY 2021.

Exhibit 1: Mississippi Charter School Authorizer Board, Current Members and Terms of Service, November 2021

Board Member	Appointed By	Term End Date
Mark Baker	Governor	August 31, 2023
Don Hinton	Governor	August 31, 2023
Vacant	Governor	August 31, 2023
Bill Billingsley	Lt. Governor	August 30, 2022*
Jennifer Jackson Whittier	Lt. Governor	August 30, 2022*
Kimberly Remak	Lt. Governor	August 30, 2022
Jean Cook	State Superintendent	August 31, 2024

* All three Lieutenant Governor appointees should have a term end date of August 30, 2022; however, the appointment letters for Bill Billingsley and Jennifer Jackson Whittier contain incorrect term end dates of August 31, 2022, and June 30, 2022, respectively.

SOURCE: PEER analysis of data from the Mississippi Secretary of State, the Mississippi Legislature’s website, and the Mississippi Charter School Authorizer Board website.

As PEER noted in its two previous annual reports on charter schools, although MISS. CODE ANN. Section 37-28-7 (5) (1972) established staggered terms of office for MCSAB, this has resulted in three of the Board members rotating off in the same year, which could prevent the Board from establishing a quorum at its meetings.

As shown in Exhibit 1 on page 4, as of November 2021, the Board had one vacant position, leaving it with only six members. According to MCSAB staff, a new appointee has not been named for the vacant position. The “Mississippi Charter Schools Act” was written such that the Governor’s three appointments roll off at the same time and the Lieutenant Governor’s three appointments roll off at the same time.

One of the Lieutenant Governor’s appointments is serving a term that is two months shorter than a three-year term. In accordance with MISS. CODE ANN. Section 37-28-7 (3), Jennifer Jackson Whittier should be serving a three-year term ending

August 30, 2022. However, her appointment letter indicates her term ends June 30, 2022.

MCSAB Staff

MCSAB's staff currently includes an Executive Director, an Office Administrator, and a Grants Administration Support staff position.

As of November 2021, MCSAB staff included an Executive Director, an Office Administrator, and a Grants Administration Support staff position. The Grants Administration Support staff member was hired on October 1, 2021, to be responsible for assisting the Executive Director primarily in the administration of the Charter Schools Program grant.

The Director of Schools, who was responsible for the planning, monitoring, improvement, and supervision of MCSAB's operations, resigned in February 2021. MCSAB has no plan to fill this position.

MCSAB employs contractors to satisfy its mandate to authorize and oversee charter schools. For example, in FY 2021 MCSAB contracted with a team of independent evaluators to evaluate charter school applications and with a private business to perform accounting services. For more information on contract expenditures, see page 36 through 37.

Charter School Applicants in the Board's 2021 Application Cycle

MCSAB received five complete applications for charter schools in its 2021 application cycle. The Board, on recommendation from its independent evaluator, did not approve any applications for additional charter schools during this year.

Any party seeking to open a charter school in Mississippi must submit an application to MCSAB. MCSAB contracted with the National Association of Charter School Authorizers (NACSA) from 2014 to 2018 to manage the application process and to provide independent recommendations of approval or denial for each charter school application. However, beginning in 2019, MCSAB ceased contracting with NACSA because, according to MCSAB staff, NACSA no longer engages in this type of evaluation work. Therefore, MCSAB began contracting with an independent evaluator to manage the application process—using protocols developed by MCSAB—and provide recommendations. In March 2020, MCSAB contracted with SchoolWorks for this task.

As in previous years, the application process includes three stages of review: the completeness² check, the threshold quality review, and the capacity review.

For the completeness check (Stage 1), SchoolWorks reviews all received applications for completeness and applicants'

² *Completeness* refers to the elements that an application must contain to qualify as a finished response based upon the requirements set forth in the request for proposals (e.g., a complete budget).

eligibility.³ If during the review, applications are found to be incomplete or the applicant deemed ineligible, the application is not certified and the application cannot proceed to the threshold quality review.

In the threshold quality review (Stage 2), SchoolWorks assesses each proposal based on Stage 2 evaluation criteria and identifies whether the minimum content is present. If an application fails to meet the minimum quality threshold, it is deemed substantially inadequate and is ineligible to proceed to the capacity review.

For the last phase, the capacity review (Stage 3), the SchoolWorks team conducts an evaluation review on the application and prepares a report with an initial recommendation for approval or denial. SchoolWorks then conducts an in-person interview to assess each applicant's overall capacity to implement the plans in the application.

After the application evaluation and interview, SchoolWorks prepares a final evaluation report to submit to MCSAB, ultimately recommending the Board approve or deny each application.

In the 2021 application cycle, MCSAB received nine letters of intent for nine schools. Of those nine, five submitted a complete application and therefore advanced to Stage 2. Of those five, all advanced to Stage 3; and of those, none were approved by the Board during its meeting on September 13, 2021.

Four organizations submitted the five complete charter school applications that advanced to Stage 2. Two of the organizations are located in Mississippi, and two are located in Texas. All four organizations were created within the past five years, and none have previous experience operating charter schools.

As highlighted previously, one of the components of MCSAB's mandate is to approve/authorize quality charter school candidates. In light of this charge, this year's result of no approvals for new charter schools is not unique. MCSAB also did not approve any charter schools during its 2016 application cycle.

List of Mississippi's Approved Charter Schools

Exhibit 2 on page 7 lists the charter school applications MCSAB has approved to date (from its 2014 application cycle through its 2021 application cycle), the operational school years, and contract terms.

³ *Eligibility* refers to the statutory requirements that a group must meet to qualify to submit an application (e.g., group must be a nonprofit education organization).

Exhibit 2: Approved Mississippi Charter Schools through the 2021 Application Cycle

Charter School	School District	Charter Operator	First School Year of Operation	Contract Term ¹
Midtown Public*	Jackson Public	Midtown Partners, Inc.	SY 2015–2016	FY 2016 to FY 2020 FY 2021 to FY 2023
Reimagine Prep*	Jackson Public	RePublic Schools, Inc.	SY 2015–2016	FY 2016 to FY 2020 FY 2021 to FY 2025
Joel E. Smilow Prep*	Jackson Public	RePublic Schools, Inc.	SY 2016–2017	FY 2017 to FY 2021 FY 2022 to FY 2025
Joel E. Smilow Collegiate*	Jackson Public	RePublic Schools, Inc.	SY 2018–2019	FY 2019 to FY 2023
Clarksdale Collegiate*	Clarksdale Municipal	Clarksdale Collegiate, Inc.	SY 2018–2019	FY 2019 to FY 2023
Ambition Preparatory*	Jackson Public	Ambition Preparatory Charter School	SY 2019–2020	FY 2020 to FY 2024
Leflore Legacy Academy*	Greenwood Leflore	Mississippi Delta Academies	SY 2020–2021	FY 2021 to FY 2025
Revive Prep	Jackson Public	RePublic Schools, Inc.	SY 2022–2023	FY 2023 to FY 2027
SR1 College Preparatory and STEM Academy	Canton Public	SR1	SY 2022–2023	FY 2023 to FY 2027
RePublic High School	Jackson Public	RePublic Schools, Inc.	TBD ²	TBD ²

* Charter schools that were in operation during SY 2020-2021.

1. Per MISS. CODE ANN. Section 37-28-21 (1) (1972), MCSAB must grant an initial charter to each qualified applicant for a term of five operating years. In 2020, MCSAB renewed Midtown Public's contract for a three-year term and Reimagine Prep's contract for a five-year term. In 2021, MCSAB renewed Smilow Prep's contract for a four-year term.
2. As of November 2021, MCSAB had not generated a contract with RePublic High School.

SOURCE: PEER analysis of Mississippi Charter School Authorizer Board documents.

Charter Schools Serving Students During SY 2020–2021

During SY 2020–2021, seven charter schools (five located in Jackson, one located in Clarksdale, and one located in Greenwood) served 2,417 students.⁴

The following two charter schools began serving students in SY 2015–2016, and thus have completed six full school years:

- Midtown Public Charter School, operated by Midtown Partners, Inc., with headquarters in Jackson, served 5th through 8th grade with an average daily attendance (ADA) of 240 students in SY 2020-2021.
- Reimagine Prep, operated by RePublic Schools, Inc., with headquarters in Nashville, served 5th through 8th grade

⁴Total average daily attendance (ADA) for months two and three of the SY 2020–2021, according to MDE.

with an average daily attendance of 554 students in SY 2020-2021.

Joel E. Smilow Prep (Smilow Prep), also operated by RePublic Schools, Inc., began serving students in SY 2016-2017. Smilow Prep completed its fifth year in SY 2020-2021, serving 5th through 8th grade, with an average daily attendance of 539 students.

The following two charter schools began serving students in SY 2018-2019, and thus have completed their third year:

- Joel E. Smilow Collegiate (Smilow Collegiate), operated by RePublic Schools, Inc., served kindergarten through 3rd grade with an average daily attendance of 467 students in SY 2020-2021.
- Clarksdale Collegiate, operated by Clarksdale Collegiate, Inc., served kindergarten through 4th grade with an average daily attendance of 286 students in SY 2020-2021.

Ambition Prep, operated by Ambition Preparatory Charter School, began serving students in SY 2019-2020. Ambition Prep served kindergarten through 2nd grade with an average daily attendance of 213 students in SY 2020-2021.

Leflore Legacy Academy, operated by Mississippi Delta Academies, began serving students in SY 2020-2021. Leflore Legacy Academy served 6th grade with an average daily attendance of 118 students that year.

Five schools are located in Jackson within the geographical boundaries of the Jackson Public School District (JPSD); Clarksdale Collegiate is located in Clarksdale within the geographical boundaries of the Clarksdale Municipal School District; and Leflore Legacy Academy is located in Greenwood within the geographical boundaries of the Greenwood-Leflore Consolidated School District. Average daily attendance for months two and three of SY 2020-2021 for all seven schools totaled 2,417 students.

Update on MCSAB's Evaluation of Charter School Performance

During SY 2020-2021, six charter schools administered the Mississippi Academic Assessment Program⁵ (MAAP) to students in 3rd through 8th grades, which measures student achievement in English language arts (ELA), math, and science. Students at Clarksdale Collegiate outperformed students within the Clarksdale Municipal School District that year in both ELA and math; however, the other five charter schools experienced mixed results compared to each one's home district. Notably, academic performance of the four charter schools that administered MAAP assessments in both SY 2018-2019 and SY 2020-2021 dropped in all three academic areas, presumably due to the learning loss resulting from COVID-19.⁶

⁵ The MAAP is a state assessment that measures students' knowledge, skills, and academic growth in 3rd through 8th grade (ELA and math assessments are given in 3rd grade while the science assessment is given in 5th grade).

⁶ In March 2020, the World Health Organization declared COVID-19 as a global pandemic. Therefore, MAAP assessments were not given during SY 2019-2020.

According to MISS. CODE ANN. Section 37-28-29 (1972), charter contracts must include a performance framework that outlines academic and operational performance indicators as well as measures and metrics that will guide MCSAB's evaluations of the charter school (e.g., student academic proficiency, financial performance, and sustainability).

Also, MCSAB must annually assess each charter school's performance on the indicators listed in the performance framework. MISS. CODE ANN. Section 37-28-31 (1972) requires that MCSAB submit a performance report to the Legislature for each charter school it oversees. If a charter school's performance is unsatisfactory, MCSAB must notify the charter school and provide a reasonable opportunity for the school to remedy the problem unless the problem warrants revocation of the charter. FY 2020 was the first year MCSAB provided such a report; it showed SY 2018-2019 performance. Exhibit 3-2 on page 13 shows the results of each charter school's academic performance on the MAAP during SY 2018-2019 and SY 2020-2021.⁷ No assessments were given during SY 2019-2020 because of COVID-19.

Charter School Academic Performance Compared to District and State Performance in SY 2020-2021

In SY 2020-2021, a higher percentage of students at Clarksdale Collegiate scored proficient or advanced in ELA and math than students at Clarksdale Municipal School District, while students at the remaining charter schools experienced mixed results in ELA, math, and science when compared to students in those charter schools' home districts. Students statewide outperformed charter school students and students in those charter schools' home districts in SY 2020-2021 in ELA, math, and science.

In most cases, a higher percentage of students in the charter schools' home districts scored proficient or advanced in ELA than students in those districts' respective charter schools. Specifically, as shown in Exhibit 3-2 on page 13, a higher percentage of students in JPSD scored proficient or advanced in ELA than charter school students at Midtown Public, Smilow Prep, Reimagine Prep, and Smilow Collegiate; similarly, a higher percentage of students in the Greenwood-Leflore Consolidated School District scored proficient or advanced than students at Leflore Legacy Academy; however, a higher percentage of students at Clarksdale Collegiate scored proficient or advanced than students at Clarksdale Municipal School District.

In math, the results were mixed such that while a higher percentage of students in JPSD scored proficient or advanced than Smilow Prep, Midtown Public, and Smilow Collegiate, a lower percentage of JPSD students scored proficient or advanced than students at Reimagine Prep. A higher percentage

⁷ The data shown for JPSD, Clarksdale Municipal School District, Greenwood-Leflore Consolidated School District, and the state of Mississippi reflect only elementary and middle schools. While the percentages for JPSD, Clarksdale Municipal School District, and Greenwood-Leflore Consolidated School District exclude data from charter schools, the percentages for the state of Mississippi include data from both charter schools and traditional school districts.

of students in the Greenwood-Leflore Consolidated School District scored proficient or advanced than students at Leflore Legacy Academy; however, a higher percentage of students at Clarksdale Collegiate scored proficient or advanced than students at Clarksdale Municipal School District.

The only charter school students who took the MAAP science assessment in SY 2020-2021 were those who attended Midtown Public, Reimagine Prep, and Smilow Prep (as these were the only charter schools that served 5th or 8th grade students—the years in which the MAAP science assessment is given). As shown in Exhibit 3, while a higher percentage of students in JPSD scored proficient or advanced than Smilow Prep, a lower percentage of JPSD students scored proficient or advanced than students at Midtown and Reimagine Prep.

In all three academic areas—ELA, math, and science—a higher percentage of students statewide scored proficient or advanced on assessments than students in charter schools and students in charter school home districts.

Effects of COVID-19 on Charter School Academic Performance

Due to school closures resulting from COVID-19, students did not take MAAP assessments in SY 2019-2020. As was the case in public schools statewide, results of state assessments for charter school students in the most recent academic year (SY 2020-2021) showed a drop in performance in ELA, math, and science, from SY 2018-2019 (prior to COVID-19).

As noted in PEER's 2020 annual charter school report, because schools closed during state testing windows in the spring of 2020 due to COVID-19, students did not take MAAP assessments during the SY 2019-2020. All charter schools that served students in grade levels that took MAAP assessments in SYs 2018-2019 and 2020-2021 (Midtown Public, Reimagine Prep, and Smilow Prep) showed a drop in the number of students performing proficient or advanced in all three academic areas.

Midtown Public experienced the smallest percentage drop in performance in all three academic areas between 2018-2019 and 2020-2021 compared to its home district (JPSD), the other charter schools in its home district, and the state of Mississippi. Reimagine Prep experienced among the highest percentage drops in performance in all three academic areas, while Smilow Prep experienced among the highest percentage drops in performance in math and science, but among the smallest percentage drop in ELA.

In ELA, while JPSD's and the state of Mississippi's performance dropped 12.4 percentage points and 9 percentage points, respectively, Midtown Public and Smilow Prep dropped 0.6 percentage points and 1.8 percentage points, respectively. Reimagine Prep experienced the highest drop of 13.5 percentage points in ELA performance between SYs 2018-2019 and 2020-2021.

In math, JPSD's and the state of Mississippi's performance dropped 18.5 percentage points and 14.2 percentage points, respectively, while Reimagine Prep and Smilow Prep dropped 25.2 percentage points and 21.6 percentage points, respectively. Midtown Public dropped 10.5 percentage points in math between SYs 2018-2019 and 2020-2021.

In science, JPSD's and the state of Mississippi's performance dropped 26.5 percentage points and 18.7 percentage points, respectively, while Reimagine Prep and Smilow Prep dropped 38 percentage points and 38.6 percentage points, respectively. Midtown Public dropped 6.7 percentage points in science between SYs 2018-2019 and 2020-2021.

Exhibit 3: Percentage of Charter School Students Scoring Proficient or Advanced on the MAAP, SYs 2018-2019 and 2020-2021

Exhibit 3-1: Charter School Student Performance Comparison Between Years, by Subject

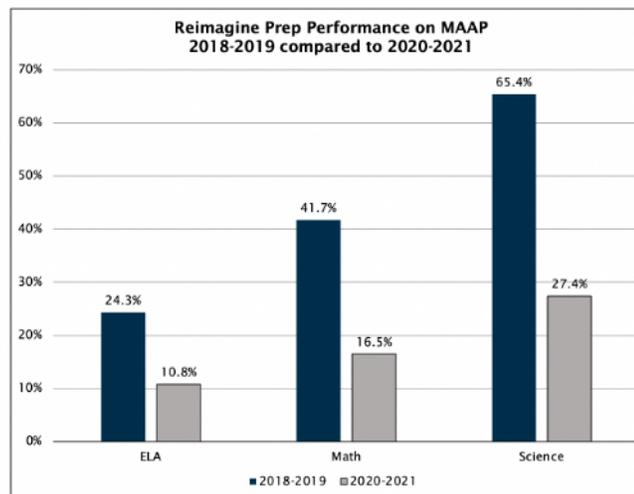
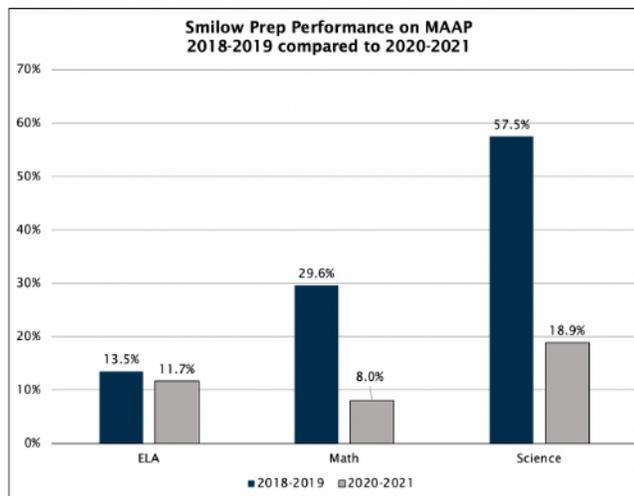
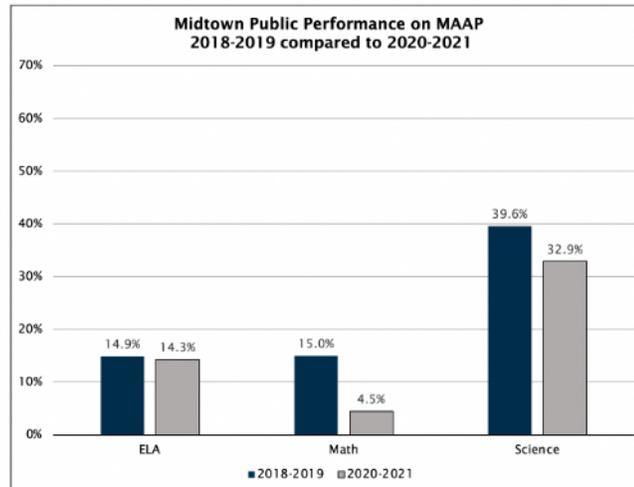
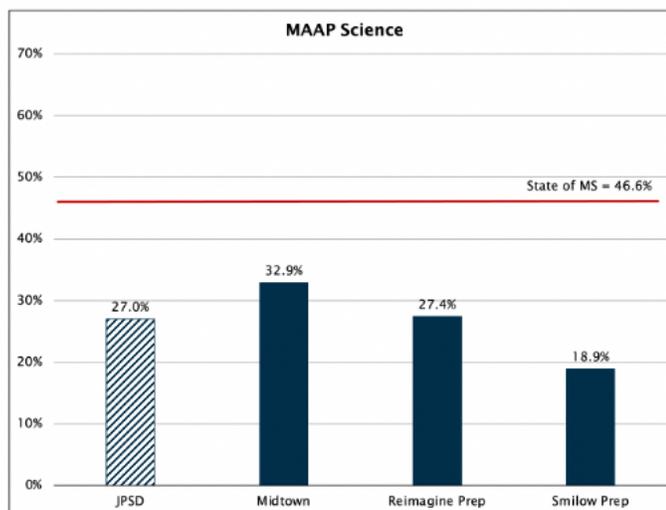
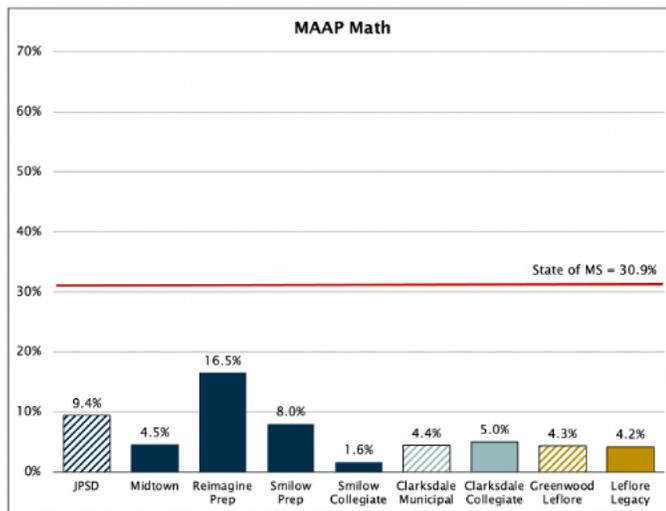
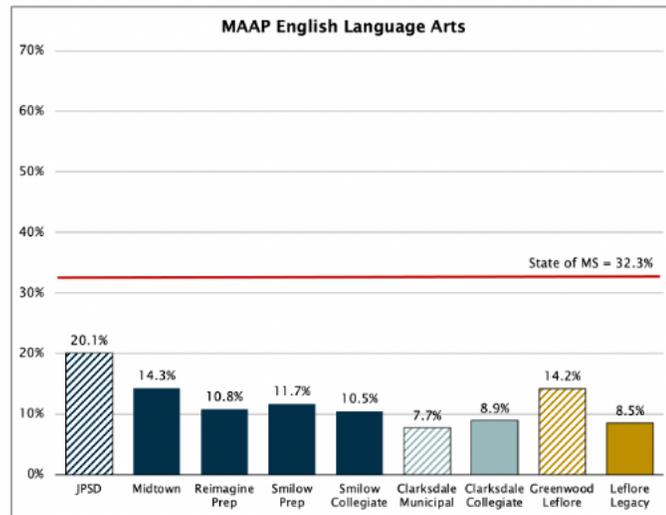


Exhibit 3-2: Charter School Students Compared to Home Districts and Students Statewide, SY 2020-2021



*Patterned columns represent home districts

SOURCE: PEER analysis of Mississippi Department of Education data.

In FY 2021, MCSAB revised its performance framework; changes will go into effect in FY 2022. See page 55 for a discussion on the revised performance framework.

Charter School Renewals in FY 2021

At its June 2021 Board meeting, MCSAB approved a four-year renewal contract for Smilow Prep, with conditions.

As stated in MISS. CODE ANN. Section 37-28-33 (1972):

A charter may be renewed for successive five-year terms of duration. The authorizer may grant renewal with specific conditions for necessary improvements to a charter school and may lessen the renewal term based on the performance, demonstrated capacities and particular circumstances of each charter school.

According to MISS. CODE ANN. Section 37-28-33 (1972), MCSAB is required to issue charter renewal application guidance each year before September 30 to any charter school whose term will expire the following year. In compliance with this law, MCSAB approved charter renewal application guidance at its September 2020 Board meeting.

MCSAB has adopted policies and procedures regarding renewal terms of up to five years, depending on the school's performance over the term of the charter contract. According to MCSAB policy, the Board may renew a school for up to five years if it meets or exceeds expectations on every performance indicator, renew a school with conditions for three to five years if the school does not meet expectations on any indicator, or choose to not renew a school and recommend its closure when the school fails to meet expectations.

Smilow Prep was the only school whose charter term was set to expire the following year. At its June 14, 2021, Board meeting, MCSAB approved a four-year renewal contract with Smilow Prep through FY 2025 with the following conditions:

- Develop clear and quantifiable goals related to the mission and vision set forth in its charter school contract, particularly those related to character and citizenship development;
- Develop clear and measurable goals related to the essential terms set forth in its charter school contract, namely: culture, college preparatory academics, and coding; and,
- Develop a teacher certification plan to ensure the statutory target is met (i.e., no more than 25% of teachers exempt from state licensure requirements).

Sufficiency of Funding for Charter Schools

MISS. CODE ANN. Section 37-28-37 (2) (1972) requires, in part, that the PEER Committee prepare an annual report assessing the sufficiency of funding for charter schools. This chapter addresses the following issues regarding the sufficiency of charter school funding from:

- state sources;
- local ad valorem taxes;⁸
- federal funds; and,
- other sources, such as grants and gifts.

Sufficiency of State-Level Funding

For FY 2021, MDE distributed Mississippi Adequate Education Program (MAEP) funding to charter schools in the same manner as the local public-school districts in which they are located.⁹

The Mississippi Legislature defines what constitutes adequate funding to public schools through a formula known as the Mississippi Adequate Education Program (MAEP). MISS. CODE ANN. Section 37-151-5 (a) (1972) defines MAEP adequate funding as:

“Adequate program” or “adequate education program” or “Mississippi Adequate Education Program (MAEP)” shall mean the program to establish adequate current operation funding levels necessary for the programs of such school district to meet at least a successful Level III rating of the accreditation system as established by the State Board of Education using current statistically relevant state assessment data.

Different stakeholders may define “adequate funding” and “sufficient funding” in varying terms, but for purposes of this review to assess the sufficiency of funding for charter schools as required by statute, PEER equates sufficient funding to the Legislature’s definition of adequate funding through the MAEP formula.

Under the MAEP formula, the Legislature provides funding to school districts and charter schools to cover instruction, administration, plant and maintenance, and ancillary expenditures (e.g., librarians and counselors). Also under the MAEP formula, the Legislature provides funding to each school

⁸ According to Investopedia, an ad valorem tax is a tax based on the assessed value of an item, such as real estate or personal property.

⁹ Charter schools and the school districts in which they are located receive the same amount of per-pupil MAEP funding before add-ons but receive different amounts of per-pupil add-ons.

district and charter school for add-ons, which are special education, gifted, alternative school, and transportation programs. Funding per student for add-on programs is unique to each school district and charter school based on the criteria associated with each add-on program's funding formula and the district's or charter school's characteristics relative to the criteria (e.g., number of special education teacher units).

For FY 2021, MAEP formula calculations resulted in per-pupil amounts¹⁰ for the charter schools, JPSD, Clarksdale Municipal School District, and Greenwood-Leflore Consolidated School District, as presented in Exhibit 4 on pages 17 through 18. The difference in per-pupil funding among the schools and the districts in which they are located is attributable to the amount each charter school and their respective districts received from the add-on program component of the MAEP formula.

Exhibit 5 on page 20 also presents a comparison of the amounts of per-pupil funding provided to the charter schools and their respective districts in FY 2021.

For FY 2021, MDE distributed MAEP funding to the charter schools and their respective school districts as follows:

- MDE distributed MAEP funding to Midtown Public, Reimagine Prep, Smilow Prep, Smilow Collegiate, and Ambition Prep in a manner consistent with its provision of MAEP funds to JPSD;
- MDE distributed MAEP funding to Clarksdale Collegiate in a manner consistent with its provision of MAEP funds to the Clarksdale Municipal School District; and,
- MDE distributed MAEP funding to Leflore Legacy Academy in a manner consistent with its provision of MAEP funds to the Greenwood-Leflore Consolidated School District.

¹⁰ For charter schools, SY 2020-2021 per-pupil amounts are based on SY 2020-2021 enrollment projections for each charter school. MISS. CODE ANN. Section 37-28-55 (1) (b) (1972) states that the enrollment figure used for MAEP funding for charter schools is to be the projected enrollment stated in the charter school contract.

Exhibit 4: FY 2021 MAEP Appropriation Amounts¹¹ Per Pupil by School District and its Respective Charter Schools

Exhibit 4-1: Charter Schools within the Geographical Boundaries of JPSD

	Jackson Public School District	Midtown Public	Reimagine Prep	Smilow Prep	Smilow Collegiate	Ambition Prep
SY 2020-2021						
Per-Pupil MAEP before Add-Ons	\$4,232	\$4,232	\$4,232	\$4,232	\$4,232	\$4,232
Per-Pupil Add-Ons	\$964	\$886	\$472	\$457	\$527	\$881
Total Per-Pupil MAEP	\$5,196	\$5,118	\$4,704	\$4,689	\$4,759	\$5,113

Exhibit 4-2: Charter Schools within the Geographical Boundaries of Clarksdale Municipal School District

	Clarksdale Municipal School District	Clarksdale Collegiate
SY 2020-2021		
Per-Pupil MAEP before Add-Ons	\$4,829	\$4,829
Per-Pupil Add-Ons	\$1,027	\$695
Total Per-Pupil MAEP	\$5,856	\$5,524

¹¹ This reflects a reduction by the Legislature of 9.87%. There were no Governor’s cuts in FY 2021.

Exhibit 4-3: Charter Schools within the Geographical Boundaries of Greenwood-Leflore Consolidated School District

	Greenwood- Leflore Consolidated	Leflore Legacy Academy
SY 2020-2021		
Per-Pupil MAEP before Add-Ons	\$4,089	\$4,089
Per-Pupil Add-Ons	\$1,115	\$1,550
Total Per-Pupil MAEP	\$5,204	\$5,639

NOTE: These exhibits do not reflect FY 2020 average daily attendance adjustments to FY 2021 MAEP funding, as explained in Exhibit 8, footnote 2 on page 25.

SOURCE: PEER analysis of Mississippi Department of Education documents.

Sufficiency of Funding from Local Ad Valorem Taxes

For FY 2021, the seven operating charter schools received local support payments from ad valorem taxes in a manner consistent with MISS. CODE ANN. Sections 37-28-55 (2) and (3) (1972). However, the local ad valorem pro rata¹² calculation required by the statute provides unequal shares between charter schools and the school districts.

Under MISS. CODE ANN. Section 37-57-104 (1972), during the submission of its annual budget, the school board of each school district sets local funding for public-school districts up to a maximum of fifty-five mills.¹³ Further, MISS. CODE ANN. Section 37-28-55 (2) (1972) requires each school district in which a charter school is located to distribute a pro rata share of local ad valorem funds to all charter schools in the district.¹⁴ Under MISS. CODE ANN. Section 37-28-55 (3) (1972), effective July 1, 2016, if a student who resides in one school district attends a charter school located in another school district, the district in which the student resides distributes its pro rata share of local ad valorem support funds to the charter school the student attends.

For purposes of this review, PEER equates the sufficiency of local funding levels for Midtown Public, Reimagine Prep, Smilow

¹² According to Investopedia, pro rata is a Latin term used to describe a proportionate allocation.

¹³ For the purpose of property tax assessment, one mill represents \$1 in property taxes for every \$1,000 in assessed property value.

¹⁴ If the school district does not pay the required local amount to the charter school before January 16, MDE shall reduce the local school district's January transfer of MAEP funds by the amount owed to the charter school and shall redirect that amount to the charter school.

Prep, Smilow Collegiate, Ambition Prep, Clarksdale Collegiate, and Leflore Legacy Academy to the funding levels provided to other school districts in which charter school students reside.

In 2016, the Legislature amended the “Mississippi Charter Schools Act” to allow students in school districts rated “C,” “D,” or “F” to cross district lines to attend charter schools. In SY 2020-2021 for the seven charter schools in operation in Mississippi, per-pupil local support payments were based on ad valorem tax receipts received by a student’s district of residence for the previous fiscal year, as presented in Exhibit 5 on page 20.

Exhibit 5: FY 2021 Local Contributions to and Number* of Students in Each Charter School, by Students' Districts of Residence

District of Residence	Midtown Public	Reimagine Prep	Smilow Prep	Smilow Collegiate	Ambition Prep	Clarksdale Collegiate	Leflore Legacy	Total
Jackson Public \$3,276.39 per pupil**	\$783,057.21 (239 students)	\$1,962,557.61 (599 students)	\$1,969,110.39 (601 students)	\$1,651,300.56 (504 students)	\$769,951.65 (235 students)	----	----	\$7,135,977.42 (2,178 students)
Hinds Co. \$4,127.75 per pupil**	\$12,383.25 (3 students)	\$61,916.25 (15 students)	\$12,383.25 (3 students)	\$49,533.00 (12 students)	\$12,383.25 (3 students)	----	----	\$148,599.00 (36 students)
Copiah Co. \$1,621.63 per pupil**	----	\$3,243.26 (2 students)	----	----	\$1,621.63 (1 student)	----	----	\$4,864.89 (3 students)
Canton \$3,923.74 per pupil**	----	----	\$15,694.96 (4 students)	\$3,923.74 (1 student)	----	----	----	\$19,618.70 (5 students)
Clarksdale \$1,419.83 per pupil**	----	----	----	----	----	\$345,018.69 (243 students)	----	\$345,018.69 (243 students)
Cleveland \$3,244.97 per pupil**	----	----	----	----	----	\$6,489.94 (2 students)	----	\$6,489.94 (2 students)
Coahoma Co. \$5,406.36 per pupil**	----	----	----	----	----	\$405,477.00 (75 students)	----	\$405,477.00 (75 students)
N. Bolivar \$1,962.07 per pupil**	----	----	----	----	----	\$3,924.14 (2 students)	----	\$3,924.14 (2 students)
W.Tallahatchie \$3,259.61 per pupil**	----	----	----	----	----	\$26,076.88 (8 students)	----	\$26,076.88 (8 students)
Carroll Co. \$2,612.55 per pupil**	----	----	----	----	----	----	\$5,225.10 (2 students)	\$5,225.10 (2 students)
Greenwood - Leflore Cons. \$2,428.67 per pupil**	----	----	----	----	----	----	\$284,154.39 (117 student)	\$284,154.39 (117 students)
Total	\$795,440.46 (242 students)	\$2,027,717.12 (616 students)	\$1,997,188.60 (608 students)	\$1,704,757.30 (517 students)	\$783,956.53 (239 students)	\$786,986.65 (330 students)	\$289,379.49 (119 students)	\$8,385,426.15 (2,671 students)

* For purposes of calculating the number of students for which local ad valorem contributions are made to charter schools, MISS. CODE ANN. Sections 37-28-55 (2) and (3) (1972) require the use of the average daily membership (ADM) for month one of SY 2020-2021. Because of this, the total number of students (2,671) derived using ADM for month one differs from the total number of students referenced on page 8 (2,417), which was derived using average daily attendance for months two and three of SY 2020-2021.

** For purposes of calculating local ad valorem contributions per pupil made to charter schools for FY 2021, MISS. CODE ANN. Sections 37-28-55 (2) and (3) require that total ad valorem receipts received by the student's resident district in FY 2020 be divided by its ADM for months one through nine of SY 2019-2020.

SOURCE: PEER analysis of Mississippi Department of Education documents.

Pro Rata Share of Local Ad Valorem Taxes to Charter Schools

Determining the pro rata share of local ad valorem taxes to be remitted to charter schools in accordance with the provisions of MISS. CODE ANN. Section 37-28-55 (2) and (3) (1972) results in the charter schools receiving more funds per pupil than the school district in which the student resides.

Regarding local ad valorem taxes to be paid to charter schools, MISS. CODE ANN. Section 37-28-55 (2) (1972) requires the following:

For students attending a charter school located in the school district in which the student resides, the school district in which a charter school is located shall pay directly to the charter school an amount for each student enrolled in the charter school equal to the ad valorem tax receipts and in-lieu payments received per pupil for the support of the local school district in which the student resides.

Subsection (3) of Section 37-28-55 requires that the pro rata amount must be calculated by dividing the local school district's months one through nine average daily membership (ADM) of the previous year into the total amount of ad valorem receipts and in-lieu receipts.

For example, the total amount of ad valorem receipts collected by JPSD during SY 2019-2020 was \$71,209,159.60. Months one through nine of ADM, not including students enrolled in charter schools was 21,734. During SY 2020-2021 there were five charter schools with a total enrollment of 2,178 operating within JPSD.

To determine the pro rata share of local ad valorem tax collections to be remitted to the charter schools, JPSD divided the total collections (\$71,209,159.60) by the district's enrollment¹⁵ (21,734 students), which resulted in a per-pupil amount of \$3,276.39 for the charter schools. JPSD then multiplied the per-pupil amount (\$3,276.39) by the charter schools' student enrollment¹⁶ (2,178) to determine the pro rata share of ad valorem tax collections to be remitted to the charter schools—i.e., \$7,135,977.42.

Because state law does not require a “home” district to calculate **total** enrollment to include all students living within the district by adding the enrollment of charter schools operating within a district to the enrollment for the district, the “home” district receives a lower per-pupil pro rata share of local ad valorem collections. In the case of JPSD for SY 2020-2021, charter schools operating within the district received a per-pupil local ad valorem amount of \$3,276.39 while JPSD received a per-pupil local ad valorem amount of \$2,948.06, a difference of \$328.33 per pupil. Exhibit 6 on page 22 illustrates how the difference in per-pupil ad valorem funding between JPSD has

¹⁵ ADM for months one through nine of the previous year.

¹⁶ ADM for month one of the current year.

increased each year since FY 2017 in favor of the charter schools.

Exhibit 6: Comparison of Charter School* Per-Pupil Ad Valorem Funding to JPSD Per-Pupil Ad Valorem Funding, FY 2017 through FY 2021

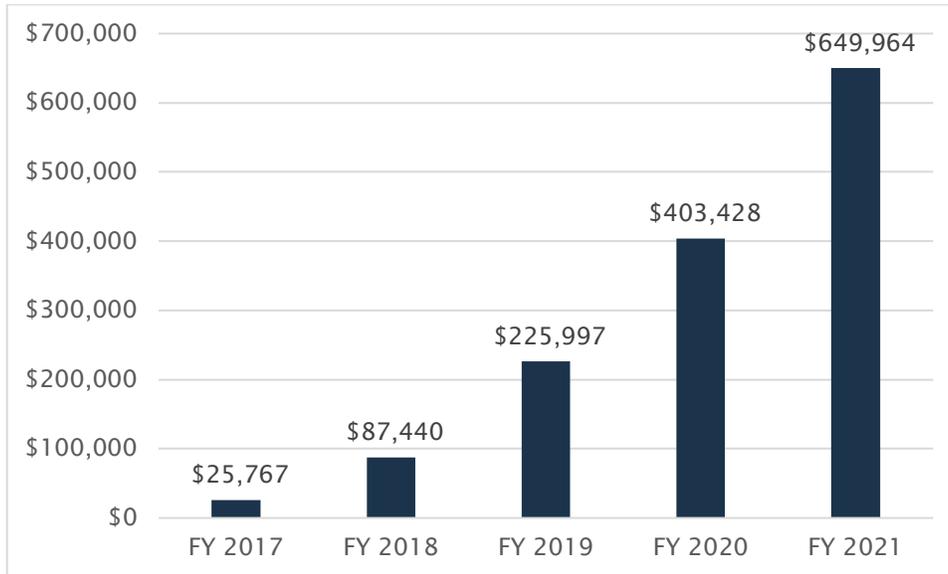
Fiscal Year	Charter School Per-Pupil Ad Valorem Funding	JPSD Per-Pupil Ad Valorem Funding	Per-Pupil Difference
FY 2017	\$2,700.93	\$2,649.85	\$51.08
FY 2018	\$2,782.15	\$2,684.18	\$97.97
FY 2019	\$2,922.39	\$2,754.45	\$167.94
FY 2020	\$3,011.84	\$2,774.12	\$237.72
FY 2021	\$3,276.39	\$2,948.06	\$328.33

* For this exhibit, the charter schools are those within the geographical boundaries of JPSD.

SOURCE: PEER Report #645; PEER analysis of Mississippi Department of Education documents.

As the number of charter schools grows, this statutory calculation will affect the school districts more adversely, particularly districts in which multiple charter schools are operating. As shown in Exhibit 7 on page 23, the amount of unequal local ad valorem funding between JPSD and the district's charter schools from FY 2017 to FY 2021 ranged from \$25,767 in FY 2017 to \$649,964 in FY 2021. The total dollar amount of unequal funding from FY 2017 to FY 2021 was \$1,392,596.

Exhibit 7: Dollar Amount of Unequal Ad Valorem Funding between JPSD and the District's Charter Schools, FY 2017 to FY 2021



NOTE: For this exhibit, the charter schools are those that are within the geographical boundaries of JPSD.

SOURCE: PEER analysis of Mississippi Department of Education documents.

Sufficiency of Federal Funding

Federal funds received by MDE are distributed to each public-school district and charter school based on the school's ability to meet federal program requirements. In FY 2021, the charter schools that were operating that year received federal grant funds totaling \$8,419,784, including \$576,749 from the Charter Schools Program grant.

MISS. CODE ANN. Section 37-28-55 (4) (a) (1972) requires MDE to direct to each qualified charter school a proportional share of all monies generated under applicable federal programs and grants. MDE receives federal grant funds and distributes them to each qualified school based on the standards set forth in each grant's program and agreement and the school's ability to meet these specifications. MDE must comply with the distribution requirements specified by each federal program or grant. The federal government audits the distribution of these funds for compliance with stated program and grant requirements.

Within this framework for the distribution of federal funds, charter schools have equal access to apply for and receive federal funds. Regarding sufficiency, the amount a charter school receives in federal funds depends on its characteristics related to meeting the requirements set forth by the federal program or grant.

In FY 2021, charter schools that were operating that year received federal grant funds totaling \$8,419,784, including \$576,749 from the CSP grant (see pages 40 through 56).¹⁷

Sufficiency of Funding from Other Sources

Charter schools apply for grants, gifts, and donations from other sources. In FY 2021, Mississippi's charter schools received \$2,686,333 from other sources.

MISS. CODE ANN. Section 37-28-59 (2) (1972) grants charter schools the authority to receive other forms of support (e.g., charitable contributions and private grants). Like federal funds, these other sources of revenue are variable and depend upon a charter school's ability to apply successfully for grants and to attract donations and gifts from other sources. Therefore, sufficiency of funding from these sources is unique to each charter school, and the amount received from these sources will vary among charter schools.

In FY 2021, charter schools received \$2,686,333 from other sources including contributions, grants, donations, and other miscellaneous revenue.

Charter School Funding Received

In FY 2021, the seven operating charter schools received between \$2 million and \$6.6 million from MAEP funding, local ad valorem taxes, federal funds, and other sources.

Exhibit 8 on page 25 details the amounts received by each charter school in FY 2021 and the funding sources.

¹⁷ For a description of grant programs that provide funding to Mississippi's charter schools, see Appendix D on page 42 in the *FY 2017 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board* (PEER Report #615).

Exhibit 8: Charter School Revenues in FY 2021, by Funding Source

Source of Funds	Midtown Public	Reimagine Prep	Smilow Prep	Smilow Collegiate	Ambition Prep	Clarksdale Collegiate	Leflore Legacy	TOTAL
MAEP ¹	\$1,248,796	\$2,822,029	\$2,813,556	\$2,189,112	\$1,150,335	\$1,795,277	\$676,639	\$12,695,744
FY 2020 ADA Adjustment ²	\$6,723	\$(209,255)	\$(262,465)	\$(8,274)	\$(88,127)	\$(49,542)	N/A	\$(610,940)
Local Ad Valorem Taxes ³	\$795,440	\$2,027,717	\$1,997,189	\$1,704,757	\$783,957	\$786,987	\$289,379	\$8,385,426
CSP Funds through MCSAB	N/A	N/A	N/A	N/A	\$152,395	\$142,009	\$282,345	\$576,749
Other Federal Funds ⁴	\$402,722	\$1,838,668	\$1,754,343	\$1,544,511	\$578,265	\$1,168,706	\$555,820	\$7,843,035
Other ⁵	\$103,241	\$123,586	\$73,568	\$199,959	\$84,166	\$1,921,893	\$179,920	\$2,686,333
Total	\$2,556,922	\$6,602,745	\$6,376,191	\$5,630,065	\$2,660,991	\$5,765,330	\$1,984,103	\$31,576,347

1. MAEP reflects amounts received by the charter schools after reductions for less than full MAEP funding. There were no budget cuts ordered by the Governor for FY 2021 MAEP. This amount does not include FY 2020 average daily attendance (ADA) adjustments to FY 2021 MAEP. (Source: MDE.)
2. Senate Bill 2161, 2016 Regular Session, amended MISS. CODE ANN. Section 37-28-55 (1) (b) (1972) to provide for a reconciliation of MAEP funds distributed to the charter schools using months two and three ADA for the current year, to be applied to the next school year's MAEP payments (for traditional school districts, FY 2021 per-pupil amounts are based on FY 2020 ADA for months two and three). For this report, PEER has included the charter school FY 2020 ADA adjustment to FY 2021 MAEP as FY 2021 revenue for each charter school. PEER will include the FY 2021 ADA adjustment to FY 2022 MAEP in next year's report as FY 2022 revenue to the charter schools. (Source: MDE.)
3. See Exhibit 5 on page 20 for more detailed information on local ad valorem taxes.
4. Other federal funds reflect the amount received by the charter school from federal sources other than the CSP grant administered by MCSAB, such as CSP funds received by Republic Schools directly from the U.S. Department of Education and other sources of federal funding such as Title I, II, and IV funding; school improvement funds; IDEA; Equity in Distance Learning Act (EDLA); Extended School Year (ESY); Elementary and Secondary School Emergency Relief Fund (ESSER); federal food service funds; Paycheck Protection Program (PPP) forgiveness; Broadband Availability Act; E-rate; GEER grant; and AmeriCorps grant. (Source: charter schools' financial records.)
5. Other sources of funds include philanthropic sources, contributions, grants, donations, school recognition program, K-3 Universal Screener, ESY, Gifted Teacher Units, interest, and miscellaneous revenue. Additionally, PEER notes that while some schools classified EDLA and E-rate revenue as federal revenue, others classified those sources as state or other revenue. (Source: charter schools' financial records.)

SOURCE: PEER analysis of financial records from the Mississippi Department of Education, Department of Finance and Administration, and charter schools' financial records.

Charter School Revenue Versus Expenditures

All charter schools in Mississippi received revenues in FY 2021 that were sufficient to cover their expenditures that year.

PEER reviewed each charter school's financial records for FY 2021 to determine whether revenues were sufficient to provide for the schools' expenditures. See Exhibit 9 on page 26 which shows that all charter schools' revenues exceeded expenses.

Exhibit 9: FY 2021 Charter School Revenues versus Expenditures

Charter School	Revenues	Expenditures	Difference
Midtown	\$2,557,847	\$2,513,724	\$44,123
Reimagine Prep	\$6,691,184	\$5,142,526	\$1,548,658
Smilow Prep	\$6,454,627	\$5,095,675	\$1,358,952
Smilow Collegiate	\$5,723,332	\$4,857,097	\$866,235
Revive Prep*	\$153,850	\$47,582	\$106,268
Ambition Prep	\$2,765,328	\$2,504,259	\$261,069
Clarksdale Collegiate	\$5,601,501	\$3,251,809	\$2,349,692
Leflore Legacy	\$1,997,310	\$1,863,081	\$134,229

NOTE: For this exhibit, PEER used total revenues reported by each charter school. These revenues may not match the revenues for those schools shown in Exhibit 8 on page 25 because PEER maintains that these differences are due to the varying requirements of cash versus accrual accounting methods.

* Although Revive Prep was not operating in FY 2021, RePublic Schools, Inc., reported Revive Prep's revenues and expenditures to PEER for that year.

SOURCE: PEER analysis of charter schools' FY 2021 financial records.

As shown in Exhibit 10 on page 27, Reimagine Prep, Smilow Prep, Smilow Collegiate, Ambition Prep, and Clarksdale Collegiate were more financially healthy in FY 2021 than they were in FY 2020, whereas Midtown Public was less financially healthy in FY 2021

than it was in FY 2020. FY 2021 was the first year for which PEER had financial data for Leflore Legacy and Revive Prep.

Notably, four schools reported FY 2021 revenues that were significantly greater than each one's FY 2020 revenues. Reimagine Prep (24% higher), Smilow Prep (22% higher), and Smilow Collegiate (46% higher) received increased federal revenue in FY 2021; while Clarksdale Collegiate (55% higher) received increased revenue from contributions.

Exhibit 10: Financial Health of Mississippi Charter Schools, FY 2017 through FY 2021

Charter School	Difference Between Revenues and Expenditures				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Midtown Public	\$(133,206)	\$159,248	\$117,531	\$79,257	\$44,123
Reimagine Prep	\$140,046	\$420,945	\$132,047	\$607,574	\$1,548,658
Smilow Prep	\$498,712	\$423,721	\$(155,794)	\$614,433	\$1,358,952
Smilow Collegiate*		\$225,144	\$95,858	\$370,771	\$866,235
Revive Prep*					\$106,268
Ambition Prep				\$190,698	\$261,069
Clarksdale Collegiate			\$578,347	\$568,902	\$2,349,692
Leflore Legacy					\$134,229

* Although Smilow Collegiate and Revive Prep were not operating in FY 2018 and FY 2021, respectively, RePublic Schools, Inc., reported each school's revenues and expenditures to PEER for those years.

SOURCE: PEER Reports #615, #629, #637, #645, and PEER analysis of charter schools' FY 2021 financial records.

As presented in Exhibit 11 on page 29, the projected cost per student for public schools in the state of Mississippi in FY 2021 was \$10,158, according to the National Education Association (NEA). In comparison, the three charter schools operated by Republic Schools (Reimagine Prep, Smilow, Prep, and Smilow Collegiate) showed a cost per student that was lower than that of the state collectively; whereas Midtown Public, Ambition Prep, Clarksdale Collegiate, and Leflore Legacy showed a cost per student that was higher than that of the state collectively.

Midtown Public, although in its sixth year of operation in FY 2021, maintained a lower student enrollment compared to the other schools that have been operating for a similar amount of time. Namely, Reimagine Prep and Smilow Prep were in their fifth and sixth years of operation in FY 2021 and had the most students of all the charter schools. Smilow Collegiate, in its third year in FY 2021, had the benefit of being part of a larger charter organization with access to more resources. Clarksdale Collegiate and Ambition Prep, in their second and third years of operation in FY 2021, are still in their infancy and at present have fewer students than typical school districts. Therefore, without economies of scale, the cost per student for newer charter schools could be expected to be higher than that for schools or districts with larger student populations.

Exhibit 11: FY 2021 Mississippi Charter School Cost Per Student Compared to Cost Per Student for Mississippi Public Schools, Excluding Capital and Interest Expenses

Charter School	Net Expenditures ¹	Enrollment ²	FY 2020 Cost Per Student	FY 2021 Cost Per Student
Midtown Public	\$2,500,144	240	\$9,700	\$10,417
Reimagine Prep	\$4,882,199	554	\$8,516	\$8,813
Smilow Prep	\$4,832,133	539	\$8,499	\$8,965
Smilow Collegiate	\$4,511,325	467	\$9,875	\$9,660
Ambition Prep	\$2,334,456	213	\$13,715	\$10,960
Clarksdale Collegiate	\$3,046,304	286	\$12,283	\$10,651
Leflore Legacy	\$1,832,765	118		\$15,532
State of Mississippi ³	\$4,278,778,000	421,235	\$10,165	\$10,158

1. Net expenditures do not include capital expenses of \$13,580 for Midtown; depreciation and amortization expenses of \$260,327 for Reimagine Prep, \$263,543 for Smilow Prep, and \$345,772 for Smilow Collegiate; depreciation of \$137,802 and interest expense of \$32,001 for Ambition Prep; depreciation of \$205,505 for Clarksdale Collegiate; depreciation and amortization expenses of \$30,316 for Leflore Legacy Academy; and capital expenditures of \$248.3 million and interest expense of \$58.6 million for Mississippi.
2. SY 2020-2021 ADA, months two and three.
3. SY 2020-2021 data from the National Education Association's (NEA) *Ranking of the States 2020 and Estimates of School Statistics 2021*,¹⁸ pages 41, 52, 55. Notably, page 41 shows an update to FY 2020 ADA for Mississippi. Although the NEA reported FY 2020 ADA to be 445,151. Its adjustment shows that FY 2020 ADA was 434,362. Therefore, PEER has recalculated Mississippi's cost per student for FY 2020 to be \$10,165. PEER Report #645 shows this figure to be \$9,918.

SOURCE: National Education Association and PEER analysis of documents from charter schools and the Mississippi Department of Education.

¹⁸ https://www.nea.org/sites/default/files/2021-04/2021%20Rankings_and_Estimates_Report.pdf.

Efficacy of the State Formula for Authorizer Funding

MISS. CODE ANN. Section 37-28-37 (2) (1972) requires that, as part of an annual report, the PEER Committee assess the efficacy of the state formula for funding MCSAB.

This chapter addresses:

- the efficacy of the MCSAB funding model;
- MCSAB expenditures; and,
- MCSAB’s lack of agency independence.

Efficacy of the MCSAB Funding Model

Under MISS. CODE ANN. Section 37-28-11 (1) (1972), MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. FY 2021 was the third year this statutory formula generated sufficient funding to support MCSAB’s activities.

The National Alliance for Public Charter Schools (NAPCS), a nonprofit organization committed to advancing the public charter school movement, states that adequate authorizer funding, including provisions for guaranteed funding from the state or authorizer fees, is an essential component of the model charter public school law.

Further, funding structures for charter authorizers generally fall into three categories: fees retained from authorized charter schools, budget allocation from a parent organization (such as a university), and state or local budget appropriation. There is no single formula for authorizer funding that is “the best” for every state. The determination of an adequate, efficient, and well-working formula for authorizer funding will depend upon conditions in each state.¹⁹

The National Association of Charter School Authorizers (NACSA) also comments on this issue, stating that when authorizers are a state entity (as is the case in Mississippi), they are most often funded through a state appropriation. Although this would make funding for MCSAB subject to annual appropriations, it would eliminate the redirection of charter school operational funds to authorizers, remove the incentive for authorizers to approve and continue operating underperforming schools, and remove the potential for authorizers to be underfunded or overfunded.²⁰

As authorized under MISS. CODE ANN. Section 37-28-11 (1) (1972), MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. For

¹⁹ Information from the National Alliance for Public Charter Schools’ 2016 publication, *A New Model Law for Supporting the Growth of High-Quality Charter Schools (2nd Edition)*.

²⁰ Information from the National Association of Charter School Authorizers’ 2009 policy guide, *Charter School Authorizer Funding*.

purposes of this report, PEER equates efficacy²¹ to sufficient revenue from charter school fees to fully fund MCSAB operations.

Prior to the passage of Senate Bill 2161 during the 2016 Regular Session, MISS. CODE ANN. Section 37-28-7 (10) (1972) directed the Board of Trustees of IHL to provide offices and clerical support for MCSAB. Therefore, the Legislature appropriated funds to IHL for the support of MCSAB. Although Senate Bill 2161 authorized MCSAB to obtain its own suitable office space for administrative purposes, the Legislature continues to appropriate funds to IHL for MCSAB.

MCSAB began operating in FY 2014 but did not receive any charter school fees until FY 2016 when charter schools became operational, as shown in Exhibit 12 on page 32. In FY 2016, FY 2017, and FY 2018, the statutory formula was not effective because the fees received from charter schools did not sufficiently fund MCSAB operations.

In FY 2019, the statutory formula began generating sufficient funding to support the MCSAB's activities. The Legislature appropriated \$229,890 in general funds to MCSAB in FY 2021. MCSAB also received \$615,481 from the 3% fees from the charter schools, bringing total revenue received for FY 2021 to \$845,371.

Total expenditures for FY 2021 were \$351,987. FY 2021 was the third year that the statutory formula provided efficacy because the \$615,481 in fees received by MCSAB from the charter schools sufficiently funded MCSAB operations. Prior to FY 2019, fewer charter schools were operating in Mississippi and consequently enrolled fewer students. Because MAEP funding and local ad valorem funding to the charter schools are based on enrollment, the state paid a larger amount to the charter schools in FY 2019, FY 2020, and FY 2021 than it had in previous years. Because the 3% fees are applied to the MAEP funding and local ad valorem funding received by each charter school, each school paid a greater amount in those fees to MCSAB.

²¹ Merriam-Webster defines *efficacy* as “the power to produce the desired result or effect.”

Exhibit 12: Sources of Revenues for MCSAB, FY 2014 through FY 2021

Fiscal Year	IHL Appropriation	3% Fee	Total Revenues	Total Expenditures	Balance
FY 2014 and FY 2015	\$250,000 ¹	\$0	\$250,000	\$249,797 ²	\$203
FY 2016	\$250,000	\$56,078	\$306,078	\$243,929	\$62,149
FY 2017	\$236,547	\$119,314	\$355,861	\$244,376	\$111,485
FY 2018	\$237,000	\$212,918	\$449,918	\$335,886	\$114,032
FY 2019	\$237,000	\$361,178	\$598,178	\$339,557	\$258,621
FY 2020	\$237,000	\$455,051	\$692,051	\$435,926	\$256,125
FY 2021	\$229,890	\$615,481 ³	\$845,371	\$351,987	\$493,384

NOTE: PEER calculates MCSAB's 3% fees for a given fiscal year based on state and local per-pupil revenue received by the school during that fiscal year, even in instances where MCSAB did not collect these fees until the following fiscal year.

1. H.B. 1440, Regular Session 2014, appropriated \$250,000 from the Capital Expense Fund to IHL to defray the costs of general operations of MCSAB. MCSAB was allowed to carry any funds not expended during FY 2014 forward to FY 2015.
2. MCSAB spent \$10,300 in FY 2014 and \$239,497 in FY 2015.
3. In FY 2021, MCSAB included state ESY and Gifted Teacher Unit funds received by charter schools as revenue against which it collected 3% fees.

SOURCE: Mississippi Legislature, Mississippi Charter School Authorizer Board, Institutions of Higher Learning, and PEER analysis.

As PEER noted in its previous reports on charter schools, under the current funding model, MCSAB receives 3% of the state and local funds that charter schools receive. Therefore, the total amount of funds from state and local sources available to charter schools on a per-pupil basis is less than the funds provided to public schools on a per-pupil basis.

In addition to charter school fees and legislative funding, under MISS. CODE ANN. Sections 37-28-11 (2) and (3) (1972):

(2) The authorizer may receive appropriate gifts, grants and donations of any kind from any public or private entity to carry out the purposes of this chapter, subject to all lawful terms and

conditions under which the gifts, grants or donations are given.

(3) The authorizer may expend its resources, seek grant funds and establish partnerships to support its charter school authorizing activities.

Notably, for FY 2020, MCSAB sought to provide financial relief to the charter schools by excluding education enhancement funds and per capita MAEP funds in its calculation of the 3% fees charged to the charter schools. However, on November 10, 2020, the Attorney General opined that:

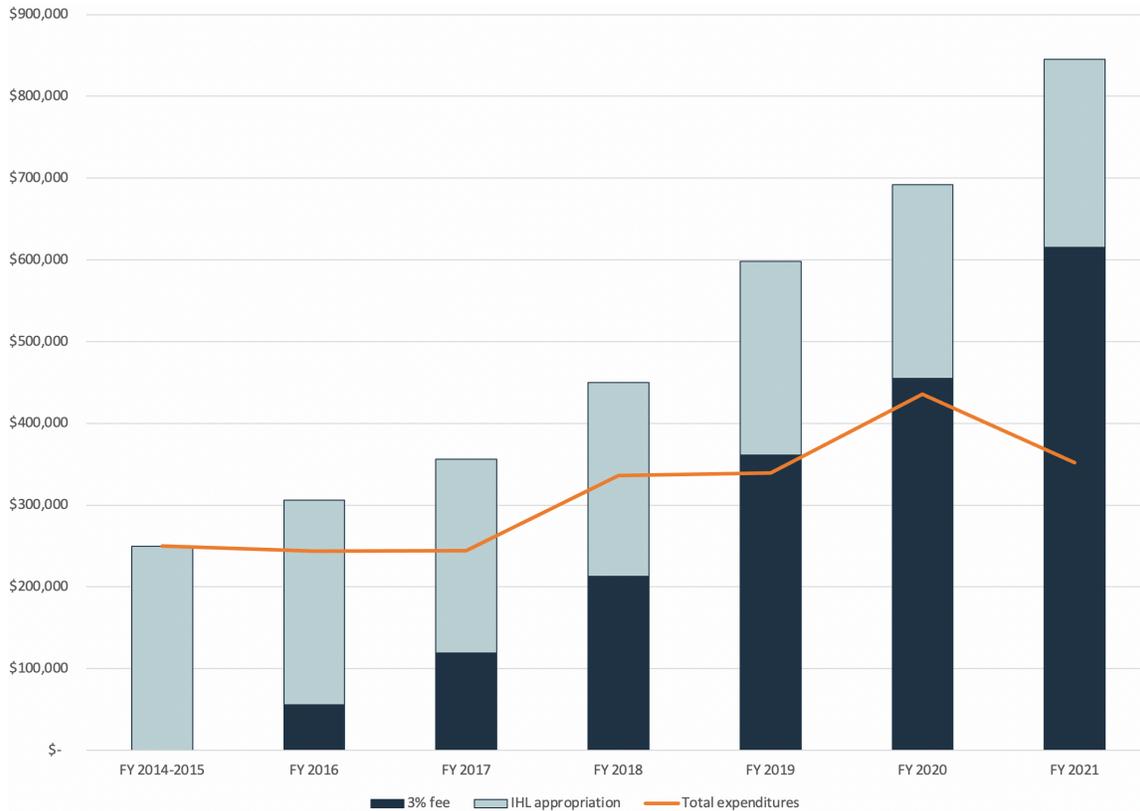
The three percent of annual per-pupil allocations to be paid to the Authorizer by a charter school should be calculated based on the money received by the charter schools from the State Department of Education and local school districts pursuant to Section 37-28-55. Thus, if educational enhancement funds, 1% sales tax or per capita funds are included in the calculation of payments to charter schools pursuant to Section 37-28-55, they should be also included when calculating the 3% of annual per-pupil allocation pursuant to Section 37-28-11.

NAPCS comments that 3% fees generally are regarded as adequate funding for authorizers in most states, particularly where separate start-up funding is allocated for the establishment of a new authorizer. In addition, after an authorizer has chartered schools for a few years and oversees a “critical mass” of charters, it might be able to continue authorizing effectively with a lower percentage fee (because it is beyond the start-up stage and may have achieved some economies of scale) until the point at which the number of schools it authorizes increases costs on a per-school basis.

NAPCS also comments that the state’s designated authorizer oversight body should make such a determination based on several consecutive years of financial data from all authorizers in the state. If the data warrants a change, the existing state entity tasked with authorizer oversight could, for example, establish a sliding scale that provides for authorizers to receive a higher percentage fee (not to exceed 3% of charter school per-pupil dollars) in their first three years of authorizing, with the percentage decreasing thereafter.

Exhibit 13 on page 34 shows the revenues compared to the expenditures of MCSAB since FYs 2014 and 2015, with revenues broken out into MCSAB’s legislative appropriation and its 3% fee revenue. As illustrated in the exhibit, annual appropriations have continued to decrease slightly. On the other hand, the 3% fee revenues have increased at a greater rate than MCSAB’s expenditures, leaving it with a larger balance each year. Therefore, having analyzed several consecutive years of financial data from MCSAB, PEER believes that MCSAB has achieved the financial stability to operate on less revenue.

Exhibit 13: MCSAB Appropriations and 3% Fee Revenues Compared to Expenditures, FY 2014 through FY 2021



SOURCE: Mississippi Legislature, Mississippi Charter School Authorizer Board, Institutions of Higher Learning, and PEER analysis.

MCSAB Expenditures

In FY 2021, MCSAB expended \$351,987 with \$232,765 (66%) of this amount spent on personal services and \$106,092 (30%) spent on contractual services.

MCSAB expended funds on the following starting in FY 2014:

- During FY 2014 MCSAB began operating on a limited basis (e.g., conducted initial Board meetings);
- During FY 2015 MCSAB hired an Executive Director;
- In FY 2016 the first charter schools became operational in the state;
- In FY 2018 MCSAB hired a Deputy Director;
- In FY 2019 MCSAB experienced a complete staff turnover, during which time expenditures for personal services decreased but contractual services increased;

- In FY 2020, contractual services decreased and personal services increased as the Board employed three staff members; and,
- In FY 2021, MCSAB's expenditures decreased across all major budget categories, resulting primarily from less spending due to working from home and incurring no travel expenditures due to COVID-19. In FY 2021 MCSAB spent \$351,987.

See Exhibit 14 on page 36 for expenditures from FY 2017 through FY 2021.

PEER notes the following regarding MCSAB's FY 2021 expenditures.

Description of FY 2021 Expenditures

Personal Services Expenditures

MCSAB expended \$232,765 on personal services in FY 2021. These expenditures included salaries and benefits for the following individuals:

- current Executive Director—8 months of salary and benefits, with a salary of \$118,000; and 4 months of salary and benefits, with a salary of \$130,000. For the first 7.5 months, 100% of the salary was expended from state funds; however, because the Executive Director acquired the responsibilities of the Director of Schools for the last 4.5 months of FY 2021, 80% of the salary was expended from state funds whereas 20% of the salary was expended from federal CSP funds during the latter period;
- former Director of Schools—7.5 months of salary and benefits, with a salary of \$75,000, 80% of which was expended from state funds whereas 20% was expended from federal CSP funds;
- current Office Administrator—4 months of salary and benefits, with a salary of \$48,000; and,
- former Administrative Support—8 months of salary and benefits, with a salary of \$37,000.

The Board currently has three staff members: an Executive Director, an Office Administrator, and a Grant Administration Support staff position.

Exhibit 14: MCSAB Expenditures,* by Major Budget Category, FY 2014 through FY 2021

Major Categories	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services	\$131,269	\$221,178	\$80,352	\$272,778	\$232,765
Travel	\$10,447	\$13,196	\$7,432	\$3,597	\$0
Contractual Services	\$69,468	\$89,238	\$239,417	\$151,751	\$112,646
Commodities	\$9,102	\$6,351	\$8,869	\$7,051	\$6,576
Equipment	\$24,090	\$5,923	\$3,487	\$749	\$0
Subsidies, Loans, and Grants	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$244,376	\$335,886	\$339,557	\$435,926	\$351,987

* These expenditures do not include expenditures made with funds from the federal Charter Schools Program grant. Exhibit 14 shows expenditures made only with state dollars. For expenditures made with CSP funds, see Exhibit 15 on page 42.

SOURCE: PEER analysis of financial records from MCSAB and DFA.

Travel Expenditures

MCSAB did not have any travel expenditures from its general funds or special funds in FY 2021.

Contractual Services Expenditures

In FY 2021, MCSAB expended \$112,646 in contractual services, including \$106,092 to vendors with whom MCSAB had contracts. These expenditures and services are described below.

- \$35,400 to a contractor to evaluate charter school applications: \$24,900 for Stage 2 and Stage 3 of the 2020 application cycle; and \$10,500 for the 2021 application cycle through August 2021;
- \$28,577 to a contractor for accounting services, human resources, and “personnel assistance,” including the performance of a forensic audit on expenditures made by the charter school subgrantees with CSP funds (see discussion on page 45);
- \$18,196 to a contractor for the final phase of its analysis of student achievement data and production of MCSAB’s FY 2019 annual report;

- \$15,000 to a contractor to revise MCSAB's performance framework and intervention ladder (see discussion on page 55); this contract was for \$30,000, and MCSAB paid the remaining \$15,000 from CSP funds (see discussion on page 43);
- \$5,000 annually to a contractor for a web-based software system to assist with document management, compliance, performance, and Board governance; this includes consulting and technical support related to the software system;
- \$2,250 to a contractor for financial consulting and training services to support charter schools in their transition to using MDE's chart of accounts (see discussion on page 38);
- \$1,069 to a contractor to provide temporary staffing services as requested by MCSAB; and,
- \$600 to two contractors (\$300 each) for renewal application review and recommendation for Smilow Prep.

The remaining \$6,554 included costs for the following:

- \$1,521 for computer software;
- \$1,153 for advertising and public information;
- \$821 for subscriptions;
- \$815 for training;
- \$675 for membership dues;
- \$617 for cell phone usage;
- \$515 insurance fees and services;
- \$303 information technology-related services; and,
- \$134 postage and transportation of goods.

PEER notes that, according to DFA, except for leasing, MCSAB is not under the purview of the Public Procurement Review Board because it employs only non-state-service employees.

Commodities Expenditures

During FY 2021, MCSAB expended \$6,387 on commodities. These expenditures included \$5,478 in office and general supplies and \$909 on office furniture and equipment.

Equipment Expenditures

During FY 2021, MCSAB had no expenditures in this category.

Subsidies, Loans, and Grants Expenditures

During FY 2021, MCSAB had no expenditures in this category.

Notable FY 2021 Expenditures

In response to recommendations made by PEER in its 2020 report on charter schools, MCSAB: (1) entered into personal services contracts with individuals who performed work for MCSAB, and (2) will require charter schools to begin using MDE's chart of accounts in FY 2022, and therefore contracted with a vendor to support charter schools in that transition.

PEER determined two noteworthy expenditures made by MCSAB in FY 2021:

- In response to a PEER recommendation, MCSAB entered into personal services contracts with individuals who performed work for MCSAB. As noted previously, two contractors provided renewal application review and recommendations for the renewal of Smilow Prep. PEER made this recommendation in order for MCSAB to protect its own interests regarding the expenditure of public funds.
- In response to another PEER recommendation, MCSAB will require charter schools to begin using MDE's chart of accounts in FY 2022. As noted previously, a contractor provided financial consulting and training services to support charter schools in their transition to using MDE's chart of accounts. MDE requires local school districts to use a uniform chart of accounts to provide consistency in recording revenues and expenditures across school districts. As PEER noted in its five previous reports on charter schools, although the charter schools' former accounting structure may have been sufficient to meet their accounting needs, the use of different account names and titles had inhibited comparison of expenditures between charter schools and public schools, and among charter schools themselves. This disparity had resulted in a more time-consuming process for PEER or any other entity that had attempted to make accurate comparisons in expenditure data.

MCSAB's Lack of Agency Independence

Despite MISS. CODE ANN. Section 37-28-7 (1) (1972) designating MCSAB as a "state agency," MCSAB's annual appropriation is included in the IHL appropriation.

Although MISS. CODE ANN. Section 37-28-7 (1) designates MCSAB as a "state agency," the Legislature provides funding for MCSAB's operations through an annual appropriation to IHL.

With regard to MCSAB, MISS. CODE ANN. Section 37-28-7 (1) states the following:

There is created the Mississippi Charter School Authorizer Board as a state agency with exclusive chartering jurisdiction in the State of Mississippi. Unless otherwise authorized by law, no other governmental agency or entity may assume any charter authorizing function or duty in any form.

Section 4, subsection 10 of House Bill 369 (2013 Regular Session) that authorized charter schools in Mississippi and established MCSAB stated the following regarding the Board's organizational placement:

The Mississippi Charter School Authorizer Board shall be located, for administrative purposes, within the offices of the State Institutions of Higher Learning, which shall provide meeting space and clerical support for the board.

Following the passage of H.B. 369, the Legislature included funds within annual appropriations IHL to support the operations of MCSAB.

Although MCSAB continued to be physically located within and supported by IHL during its initial years of operation, there is no such arrangement between IHL and MCSAB currently. In 2016, MCSAB moved its offices from the IHL central office complex to state-owned office space in the Capitol Complex. As stated on page 5, MCSAB has a staff of three individuals who operate the agency independently of IHL.

Although MCSAB is no longer co-located with or supported by IHL, the agency's funding is an earmark within IHL's annual appropriation. In the state's accounting system—Mississippi's Accountability System for Government Information and Collaboration (MAGIC)—MCSAB is an appropriation unit within IHL with its own accounting fund. Except for receiving a direct appropriation from the Legislature, MCSAB has all of the attributes of a free-standing state agency.

MCSAB's Management of the Federal Charter Schools Program Grant

This chapter addresses:

- the purpose of the federal CSP grant;
- FY 2021 CSP grant expenditures; and,
- progress in meeting the goals of the grant;

As noted in Exhibit 8 on page 25, the CSP grant is a component of the federal funding received by three charter schools (Ambition Prep, Clarksdale Collegiate, and Leflore Legacy Academy) that were operating in FY 2021. CSP grant funding is in addition to the funding received by MCSAB as discussed on pages 15 through 24.

Purpose of the Federal Charter Schools Program Grant

The purpose of the Charter Schools Program (CSP) grant is to increase the number of charter schools, support charter schools in earning an “A” or “B” accountability grade, and advance MCSAB’s standing as a national leader in authorizing quality. The five-year grant period is from October 1, 2017, to September 30, 2022.

In September 2017, the U.S. Department of Education’s (USDOE’s) Expanding Opportunity through Quality Charter Schools Program awarded new grants totaling \$253 million to nine states and seventeen charter management organizations to create and expand charter schools across the nation. MCSAB received a five-year, \$15 million grant to help expand the state’s charter school sector. The five-year grant period is from October 1, 2017, to September 30, 2022.

According to MCSAB’s application for the grant, it set out three main objectives:

- Increase the number of new, high-quality charter schools launching in Mississippi by at least 375% (from four to nineteen) over the next five years to create 15,000 new high-quality charter school seats.
- Support all charter schools in earning an “A” or “B” letter grade on Mississippi’s statewide accountability system or significantly improving by advancing two letter grades from their rating by their fourth year of operation.
- Advance MCSAB’s standing as a national leader in authorizing quality, as demonstrated by NACSA’s State Policy ranking.

To accomplish these objectives, MCSAB's application to the USDOE stated that it would use CSP grant funds to administer a subgrant program for charter schools to defray the costs of:

- significant start-up expenses of hiring administrative staff and teachers during their planning years;
- securing facilities;
- conducting recruitment and enrollment activities; and,
- purchasing technology infrastructure, equipment, and curriculum.

FY 2021 Federal Charter Schools Program Grant Expenditures

MCSAB continues to be significantly behind in its projected grant expenditures, having spent only 17% of its grant funds at the end of the fourth year of the five-year grant. At the time of application, MCSAB expected to have expended 74% of its grant funds by FY 2021. MCSAB plans to request a no-cost extension of the CSP grant during FY 2022, which is year five of the grant period.

As shown in Exhibit 15 on page 42, although MCSAB projected that it would spend \$15 million over the lifetime of the grant, with \$11,123,296 projected to be spent by the end of the fourth year, it had only spent \$2,542,338 by the end of FY 2021, which is 23% of its four-year projected budget and 17% of the grant's five-year budget. MCSAB did not expend any grant funds in FY 2018.

As PEER noted in its FY 2019 and FY 2020 charter schools annual reports, the MCSAB Executive Director noted that there is no carryover limit on the CSP grant funds from year to year. In September 2020, USDOE stated to MCSAB that a no-cost extension could be requested in the final budget period of the grant, which would be during year five. MCSAB staff noted that it plans to request this extension.

Exhibit 15: MCSAB Expenditures from the Federal Charter Schools Program Grant, FY 2018 through FY 2021

	Administration	Contractual	Subgrants	Total
FY 2018	\$0	\$0	\$0	\$0
FY 2019	\$24,083	\$240,406	\$371,357	\$635,846
FY 2020	\$24,890	\$63,014	\$1,059,691	\$1,147,595
FY 2021	\$42,361	\$139,787	\$576,749	\$758,897
Expenditures through FY 2021 (4 th year of CSP)	\$91,334	\$443,207	\$2,007,797	\$2,542,338
4-year Budget (FY 2018-FY2021)	\$310,294	\$913,002	\$9,900,000	\$11,123,296
Balance Remaining of 4-year Budget	\$218,960	\$469,795	\$7,892,203	\$8,580,958
5-year Budget (FY 2018-FY 2022)	\$388,000	\$1,112,000	\$13,500,000	\$15,000,000
Balance Remaining of 5-year Budget	\$296,666	\$668,793	\$11,492,203	\$12,457,662

NOTE: \$1,059,691 in FY 2020 subgrant expenditures includes \$1,026,783 reported in PEER Report #645, page 42, plus \$32,908 in additional FY 2020 subgrant expenditures to Clarksdale Collegiate from July 2020.

SOURCE: PEER analysis of financial records from Mississippi Charter School Authorizer Board and Department of Finance and Administration.

Administrative Expenditures

MCSAB has spent \$91,334 (29%) of its 4-year administrative budget. It spent \$42,361 of this amount in FY 2021.

In FY 2021, MCSAB spent \$42,361 in administrative expenditures related to the CSP grant, as described below:

- \$42,003 on salaries and fringes for the following:
 - 50% of the former Director of Schools and Accountability's salary and benefits for 7.5 months through February 2021; and,

- 20% of the current Executive Director's salary and benefits for 4.5 months beginning March 2021.
- \$358 on office supplies.

Contractual Expenditures

MCSAB has spent \$443,207 (49%) of its 4-year contractual budget. It spent \$139,787 of this amount in FY 2021.

MCSAB spent \$139,787 in CSP grant funds for contractual services in FY 2021, including \$139,626 to vendors with whom MCSAB had contracts. These expenditures and services are described below.

- \$48,000 to Mississippi First to sponsor an annual parent and general public survey assessing awareness, general sentiment, satisfaction levels, and concerns about charter schools.
- \$52,126 to Professional Polish, LLC (Professional Polish), to provide assistance to aspiring, approved, and existing charter leaders in developing and revising detailed technical assistance plans and conducting technical assistance to the schools. (For discussion on MCSAB's contract with Professional Polish, see pages 50 through 51).
- \$24,500 to Champe Carter Consulting, LLC, & Tandem Learning Partners (Champe Carter) to assess and analyze current technical assistance support tools utilized by MCSAB and existing partner organizations; develop a technical assistance tool development plan for aspiring, approved, and operating charter schools; create support tools for aspiring, approved, and operating charter schools; and develop a best practice toolkit.
- \$15,000 to Basis Policy Research to revise MCSAB's performance framework and intervention ladder (see discussion on page 55). This contract was for \$30,000 and MCSAB paid the remaining \$15,000 from state funds (see page 37).

The remaining \$161 included costs for postal services.

Subgrant Expenditures

MCSAB has spent \$2,007,797 (20%) of its 4-year subgrant budget. It spent \$576,749 of this amount in FY 2021.

As shown in Exhibit 16 on page 44, MCSAB has spent \$2,007,797 in CSP grant funds to three subgrantees (Clarksdale Collegiate, Ambition Prep, and Leflore Legacy Academy) during the CSP's first four years. MCSAB spent \$371,357 in subgrants in FY 2019, \$1,059,691 in FY 2020, and \$576,749 in FY 2021.

Exhibit 16: MCSAB Reimbursements to Subgrantees from the Federal Charter Schools Program Grant, FY 2018 through FY 2021

Subgrantee	FY 2018	FY 2019	FY 2020	FY 2021	Total
Clarksdale Collegiate	\$0	\$190,949	\$352,760	\$142,009	\$685,718
Ambition Prep	N/A	\$180,408	\$409,851	\$152,395	\$742,654
Leflore Legacy Academy	N/A	N/A	\$297,080	\$282,345	\$579,425
Total	\$0	\$371,357	\$1,059,691	\$576,749	\$2,007,797

NOTE: \$352,760 in FY 2020 subgrant revenue for Clarksdale Collegiate includes \$319,852 reported in PEER Report #645, page 44, plus \$32,908 in additional FY 2020 subgrant revenue from July 2020.

SOURCE: Department of Finance and Administration.

Clarksdale Collegiate

Clarksdale Collegiate has spent \$685,718 in CSP funds in FY 2021.²² In FY 2018, MCSAB approved a three-year \$900,000 subgrant (at \$300,000 per year) to Clarksdale Collegiate to be used for Clarksdale Collegiate’s planning year (Year 0), first year of operation (Year 1), and second year of operation (Year 2). MCSAB did not reimburse Clarksdale Collegiate for any CSP expenditures in FY 2018 due to the lack of staff at MCSAB. MCSAB reimbursed Clarksdale Collegiate \$190,949 in CSP expenses in FY 2019, \$352,760 in FY 2020, and \$142,009 in FY 2021. In 2020, MCSAB granted Clarksdale Collegiate a one-year, no-cost extension of its CSP subgrant because Clarksdale Collegiate did not have any support from MCSAB during its planning year as a result of the departure of MCSAB staff.

Ambition Prep

Ambition Prep has spent \$742,654²³ in CSP funds through FY 2021. In FY 2019, MCSAB approved a three-year \$900,000 subgrant (at \$300,000 per year) to be used for Ambition Prep’s planning year (Year 0), Year 1, and Year 2. MCSAB reimbursed

²² Because the term of Clarksdale Collegiate’s CSP subgrant ended September 30, 2021, additional expenses incurred between July 1, 2021, and August 31, 2021, will be recorded in MCSAB’s FY 2022 expenditures.

²³ Because the term of Ambition Prep’s CSP subgrant ended September 30, 2021, additional expenses incurred between July 1, 2021, and August 31, 2021, will be recorded in MCSAB’s FY 2022 expenditures.

Ambition Prep \$180,408 in CSP expenses in FY 2019, \$409,851 in FY 2020, and \$152,395 in FY 2021.

Leflore Legacy Academy

Leflore Legacy Academy has spent \$579,425 in CSP funds through FY 2021. In FY 2020, MCSAB approved a three-year, \$900,000 subgrant (at \$300,000 per year) for Leflore Legacy Academy's planning year (Year 0), Year 1, and Year 2. MCSAB reimbursed Leflore Legacy Academy \$297,080 in FY 2020 and \$282,345 in CSP expenses in FY 2021.

Forensic audit of subgrantee expenditures

MCSAB contracted with a vendor in FY 2021 to conduct a forensic audit on expenditures made by charter school subgrantees with CSP funds. The audit's findings include, but are not limited to, the following:

- missing documentation on claims;
- duplicate requests;
- unallowable expenses;
- insufficient information in order to determine if payments were made correctly;
- underpaid claims; and,
- one claim containing a potential conflict of interest.

As a result of the forensic audit, MCSAB required some of the subgrantees to repay some of their grant funds.

Progress in Meeting the Goals of the CSP Grant

The three goals of the CSP grant are to increase the number of charter schools and charter school seats, increase charter school letter grades on Mississippi's statewide accountability system, and advance MCSAB's standing as a national leader in authorizing quality.

The three goals of the CSP grant are to:

- increase the number of charter schools and charter school seats;
- increase charter school letter grades on Mississippi's statewide accountability system; and,
- advance MCSAB's standing as a national leader in authorizing quality.

This section addresses how MCSAB has progressed in its accomplishment of these goals and the actions that MCSAB took to accomplish the goals of the CSP grant.

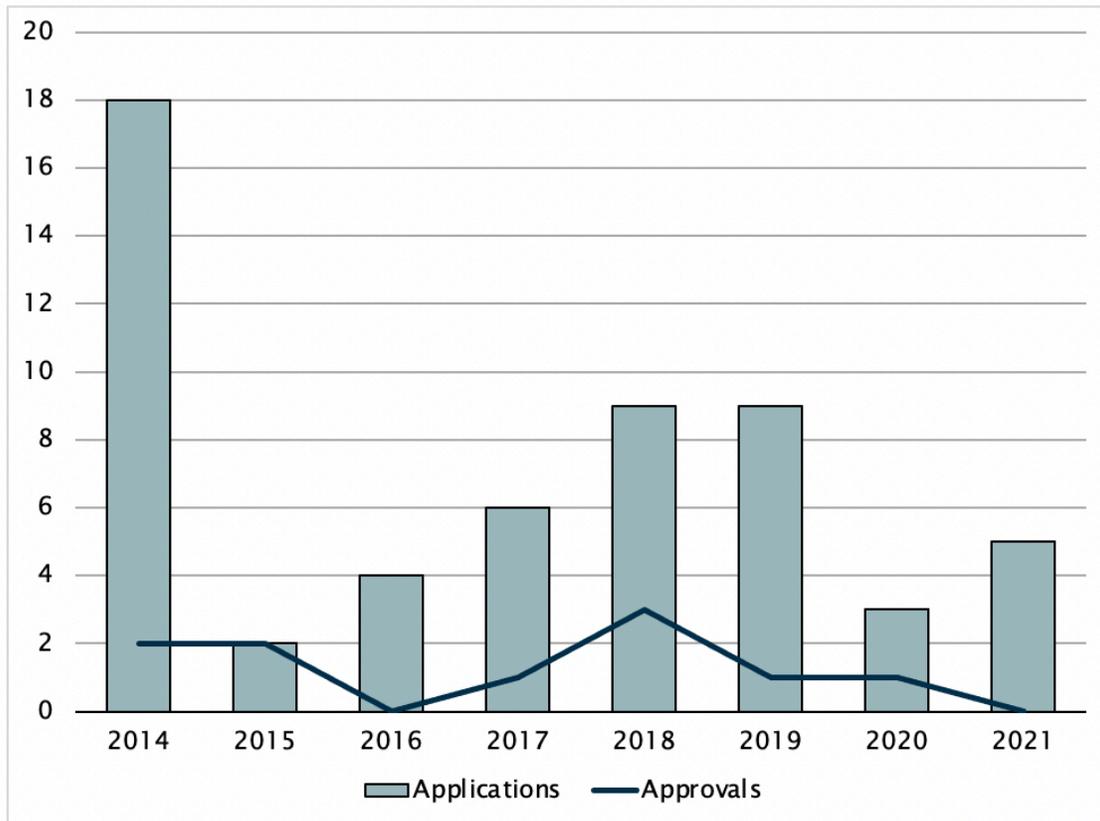
Progress toward Goal 1: Increase the number of charter schools and charter school seats

During FY 2021 MCSAB reviewed five applications for new charter schools but approved none for operation. Additionally, MCSAB finalized CSP subgrants with two charter schools approved during the 2020 application cycle. Since the award of the CSP grant, MCSAB has approved 2,865 projected charter school seats, which falls well short of the CSP grant's goal of 15,000 additional charter school seats by 2022.

Progress on Increasing the Number of Charter Schools

As noted previously, one of the goals of the CSP grant is to increase the number of new, high-quality charter schools launching in Mississippi by at least 375% (from four to nineteen) from October 1, 2017, to September 30, 2022, to create 15,000 new high-quality charter school seats. MCSAB acknowledges that this goal is unrealistic, especially because of the turnover of staff and Board members throughout the grant period. However, MCSAB plans to request a no-cost extension to the grant in 2022 so that it can continue to work towards that goal.

Exhibit 17 on page 47 compares the number of charter school applications received by MCSAB each year since 2014 to the number of applications approved.

Exhibit 17: Charter School Applications and Approvals since 2014

SOURCE: PEER analysis of Mississippi Charter School Authorizer Board data.

MCSAB has approved six additional charter schools since September 2017, when it was awarded the CSP grant, bringing the total number of approved charter schools to ten. To increase the total number of charter schools to nineteen by September 2022 (the end of the grant period), MCSAB would need to approve nine more schools during the 2022 application cycle.

As PEER noted in its FY 2019 report, it will continually require more effort in recruiting and providing assistance to applicants to move closer to its goal by September 2022.

A consequence of the low number of charter school applications and approvals is that as of FY 2021, MCSAB had awarded CSP subgrants to only five charter schools.

MCSAB's application to the USDOE projected that it would award subgrants to two charter schools in FY 2018, two in FY 2019, three in FY 2020, four in FY 2021, and four in FY 2022, for a total of fifteen subgrants to charter schools during the

five-year term of the grant. However, MCSAB awarded one subgrant in FY 2018, one subgrant in FY 2019, one subgrant in FY 2020, and two subgrants in FY 2021 to the only charter schools that were eligible for the subgrants at those times:²⁴ Clarksdale Collegiate, Ambition Prep, Leflore Legacy Academy, SR1 College Preparatory and STEM Academy, and Revive Prep.²⁵

Progress on Increasing the Number of Charter School Seats

Since the award of the CSP grant to MCSAB, it has approved 2,865 charter school seats.²⁶ This number includes:

- 525 projected seats for Clarksdale Collegiate through SY 2022-2023;
- 450 projected seats for Ambition Prep through SY 2023-2024;
- 360 projected seats for Leflore Legacy Academy through SY 2024-2025;
- 1,080 projected seats for Revive Prep through SY 2026-2027; and,
- 450 projected seats for SR1 College Preparatory and STEM Academy.

Although MCSAB has approved an application for RePublic High School, as of October 2021, no contract had been executed and no projected enrollment for the school is available.

In order to meet its goal of 15,000 additional charter school seats, MCSAB would need to approve 12,135 more seats by the end of the grant term. For a discussion about actual school enrollments, see pages 7 and 8.

Contracts to Provide Technical Assistance to Prospective and Operating Charter Schools

To help meet the objectives of Goal 1 of the CSP grant, MCSAB issued the following four RFPs in January 2020:

- to conduct charter school technical assistance as defined in the CSP grant;
- to conduct charter school technical assistance—*support tools* as defined in the CSP grant;
- to conduct charter school operator recruitment; and,

²⁴ Only start-up charter schools are eligible for CSP subgrants.

²⁵ MCSAB authorized subgrants with SR1 College Preparatory and STEM Academy and Revive Prep in December 2020 and April 2021, respectively.

²⁶ For purposes of this report, PEER's calculation equates charter school seats to projected charter school students.

- to conduct a survey to assess awareness, general sentiment, satisfaction levels and concerns about Mississippi's public charter schools.

As a result of these RFPs, MCSAB had contracts with three entities operating during FY 2021. One contractor, Mississippi First, was hired to conduct the survey of charter school awareness and two contractors, Champe Carter and Professional Polish, were hired for the provision of technical assistance to charter schools. No contractor currently performs operator recruitment (for more information, see page 53).

Mississippi First

MCSAB entered into a contract with Mississippi First for \$48,000 for the period of April 27, 2020, through September 30, 2020. The purpose of the Mississippi First contract was to fulfill the CSP grant's goal of an annual parent and general public survey assessing awareness, general sentiment, satisfaction levels, and concerns about charter schools.

Mississippi First conducted a phone survey in June and July 2020. The survey was conducted in communities where charter schools are approved to operate, including Jackson, Clarksdale, and Greenwood. Participants in the three locations were randomly drawn from one of the two-parent pools: charter parents and non-charter parents. The charter parent pool consisted of all parents with children enrolled in charter schools in 2019-2020. The non-charter parent pool included parents with children who were eligible to attend, but not yet attending, a charter school that year.

Mississippi First presented the result of its survey to MCSAB at its October 2020 meeting. Results of the survey show approximately 76% of parents in charter school communities have some familiarity with charter schools. However, of these parents, more than half (53%) believe that charter schools are private schools.

Survey results also showed that while approximately 75% of all surveyed parents reported having some level of support for having charter schools in their communities, one in eight (12.4%) of non-charter parents are opposed to charter schools in their communities.

Survey questions assessing overall satisfaction with charter schools show approximately 94% of charter parents would rate their child's school as above average. Of the surveyed parents, approximately 86% plan to re-enroll their child in charter school for the next school year.²⁷

Of the areas surveyed for overall satisfaction, parents expressed more concern (a satisfaction rating of 90% or less)

²⁷ Children aging out of the grades offered at a particular charter school are included in the survey results as not re-enrolling.

with charter school efforts in the areas of school front offices, individualized instruction, and student discipline.

Champe Carter

MCSAB entered into a contract with Champe Carter for \$33,300 for the period of April 27, 2020 through September 30, 2020. This contract was later amended to extend the effective date to December 31, 2020.

During the contract Champe Carter assessed the existing technical assistance support tools utilized by MCSAB and its partner organizations. From this analysis Champe Carter developed, created, and implemented a “Best Practice Toolkit” for aspiring, approved, and operating charter schools.

This toolkit is made available through the MCSAB website and aggregates links to resources from several providers (such as MDE, Professional Polish, MCSAB, and Champe Carter) in the following major areas:

- charter school governance;
- resources on contracts, laws, and policy;
- resources for approved schools; and,
- applicant interview preparation.

While Champe Carter was able to successfully create and deliver the resources outlined in the contract, the contract did not include any provisions for determining if the toolkit/resources provided were effective in assisting aspiring, approved, and operating charter schools. As such, MCSAB cannot assess the impact these contracted services have had in meeting Goal 1 of the CSP grant.

Professional Polish

MCSAB entered into a contract with Professional Polish for \$52,240 for the period of April 15, 2020 through March 31, 2021. The purpose of the Professional Polish contract is to help identify, gather, and promote successful practices in application, start-up, and opening processes and help promote these practices to potential and currently operating charter applicants and schools. The contract outlines a compensation schedule directed at the following major areas:

- assess and analyze the current technical assistance offered by the MCSAB and existing partners;
- assess the needs of approved charter schools and develop individualized pre-opening plans of support;
- develop and implement a technical assistance plan for aspiring, approved, and operating charter schools;
- facilitate best practice sharing between districts and charter schools; and,

- review and revise the pre-opening checklist for newly approved schools.

Included in the contract was a timeline that included monthly deliverables and provided direction to Professional Polish on what activities MCSAB would like accomplished.

The existing contract between Professional Polish and MCSAB was amended on March 8, 2021, to extend the contract period to September 30, 2022, and increase the cost of the contract to a not-to-exceed figure of \$126,790. The amendment also expanded the scope of service to include a provision of services to charter school applicants in the 2022 application cycle and requires Professional Polish to subcontract with one to three educators and/or attorneys with extensive charter experience to carefully review charter applications and conduct mock interviews.

As with the Champe Carter contract, the contract with Professional Polish does not include any language detailing metrics, either quantitative or qualitative, to help assess the level of services MCSAB is receiving from Professional Polish. As such, the contract does not provide a way for MCSAB to assess the impact these contracted services have had in meeting Goal 1 of the CSP grant.

Potential Improvements to MCSAB's Contracts

According to the National Association of State Procurement Officials (NASPO), when establishing performance metrics in a contract, the issuer should ensure included metrics are strategic, measurable, actionable/achievable, relevant, and time-based (SMART). Use of SMART metrics could help MCSAB assess the services received from contractors and could lead to more efficient and effective use of state and grant funds.

As highlighted previously, MCSAB's contracts with Champe Carter and Professional Polish did not include metrics to help assess the effectiveness of the contractual services provided by these entities.

According to NASPO, when establishing performance metrics in a contract, the issuer should ensure included metrics are strategic, measurable, actionable (achievable), relevant, and time-based (SMART).

Use of SMART performance metrics in future contracts could provide a way for MCSAB to assess the impact of contracts. As discussed in the section below, MCSAB conducted a survey to assess charter schools and charter school applicants' satisfaction with the technical services provided by one of its contractors. Future contracts could include language that mandates such satisfaction surveys and that assesses the consultant's survey results against defined metrics. Assessment results could be used to hold contractors accountable for the services they provide, help ensure future contracts better target areas of weakness, and ensure effective and efficient use of state dollars and grant funds.

Issues with Surveys Conducted by MCSAB

MCSAB developed and administered a survey to help assess the effectiveness of services provided by its technical assistance provider (i.e., Professional Polish). While the results of this survey are an indicator of 2021 charter school applicants' satisfaction with services rendered by Professional Polish, some of the design elements of the survey could be reducing its effectiveness.

Due to a lack of performance metrics in the contract with Professional Polish and in order to gain feedback from applicants regarding the application process, MCSAB developed and administered its own survey in October 2021 entitled, "2021 Charter Application Process and Technical Assistance Survey." MCSAB staff stated that it used the results of this survey, along with biweekly meetings, to assess the effectiveness of the services provided by Professional Polish.

While the results of this survey are an indicator of how well Professional Polish and their services were received by charter school applicants during the 2021 application cycle, some of the elements of the design of the survey could be reducing its effectiveness.

First, a survey should serve the interest of those being surveyed. According to Typeform, a well-known online survey platform, great surveys work to reduce the possibilities that people will try to serve their own interest when completing a survey. This means that the questions and timing of the survey should be structured in such a way as to encourage truthful answers, and limits survey-takers' ability to skew results by answering questions untruthfully or with a motive other than trying to better the process. MCSAB conducted its 2021 survey after the completion of its 2021 cycle. While answers to the survey questions were generally positive, distributing the survey after all applicants were denied could have led to negative bias in survey-takers' answers. This behavior would have skewed the survey's results and made it difficult to utilize the survey's results as an accurate barometer of areas assessed. A better process would have been to conduct the survey prior to applicants receiving the results of evaluation on their application.

Next, survey takers should be able to answer all questions in the survey. According to Typeform, good surveys contain questions that survey-takers can answer. As highlighted on page 5, MCSAB's application process contains three stages. At the end of each stage, MCSAB or its evaluators determine whether a candidate is able to advance to the next stage of the process. As such, an applicant that did not advance past stage one would have experienced different components of the process and potentially received different services from MCSAB's technical service providers. Because MCSAB sent one survey to all applicants, regardless of the stage (or stages) in which the applicants participated, it is possible that survey-takers could provide answers to survey questions assessing

areas they did not experience. These answers could skew the results of the survey and make it more difficult to utilize the survey's results as an accurate barometer. A better process would be to conduct separate surveys pertaining to each stage of the application process.

Finally, surveys should produce clear results. According to Typeform, the questions survey-takers are being asked to answer must be clear. Half (five of the ten) of the survey questions asked for responses to two or more distinct items. For example, one question on the survey asked respondents to assess their level of satisfaction with the following:

Instructions provided in the 2021 Call for Quality Schools Application, the Request for Proposal (RFP), and the Epicenter were clear and easy to understand and follow.

While survey-takers' opinions about each of these areas could be useful to MCSAB in assessing its processes, by grouping them all into one question, MCSAB limits its ability to use the results to identify where changes may be necessary. By using separate questions, MCSAB could receive more targeted feedback and accurately assess its processes.

Lack of a Dedicated Recruitment Contract

After three RFPs with no responses in 2020 and 2021, MCSAB has not found a dedicated recruitment coordinator to attract high-quality charter school operators to Mississippi. The lack of such a coordinator presents a challenge in assessing MCSAB's successful attainment of Goal 1 of the CSP grant.

After three RFPs in 2020 and 2021, MCSAB still lacks a dedicated recruitment contractor to encourage more applications from operators with "a track record of success." While the other two CSP grant contractors appear to support prospective charter applicants within their contract goals and subsequent actions, according to MCSAB, the most effective method of recruiting prospective charter applicants is through a dedicated group.

According to MCSAB staff, MCSAB issued RFPs for charter school operator recruitment in April 2020, September 2020, and September 2021, but received no bids. The lack of a recruiter has likely affected the number of applicants. As shown in Exhibit 17 on page 47, since 2014, MCSAB has not received more than ten applications in a single year. In 2021, MCSAB received a total of five applications from four organizations with no previous charter school experience.

As such, judging MCSAB's successful attainment of the Goal 1 of the CSP grant at this time is a challenge. After all the resources are created and in place, stakeholders should be able to judge the efficacy of new support tools in guiding the school through the process from application to operation. By using grant resources to support high-quality charter schools, MCSAB can take a step towards achieving the goals of the CSP grant.

Progress toward Goal 2: Improve charter school letter grades according to the statewide accountability system

At the end of the CSP grant period in September 2022, none of the schools that received CSP subgrants will have received multiple accountability grades by which to measure any improvement.

As noted previously, one of the goals of the grant is to support charter schools in earning an “A” or “B” letter grade on Mississippi’s statewide accountability system or significantly improving by advancing two letter grades from their rating by their fourth year of operation.

The Mississippi Statewide Accountability System, administered by MDE, assigns a performance rating of A, B, C, D, and F for each school and district based on established criteria regarding student achievement, individual student growth, graduation rate, and participation rate.²⁸ The State Board of Education typically approves accountability grades in the Fall (September or October) for the previous school year.

Clarksdale Collegiate, Ambition Prep, and Leflore Legacy Academy were recipients of subgrants in FY 2021; therefore, this goal applies only to these three schools. However, none of the schools have had an opportunity to increase letter grades thus far. Specifically:

- Clarksdale Collegiate’s first year of operation was in FY 2019. In FY 2020, Clarksdale Collegiate served kindergarten through 3rd grade; however, because accountability grades are not applied until 4th grade, it did not receive an accountability grade in FY 2020. According to its contract, Clarksdale Collegiate’s first year to serve 4th grade was in FY 2021; however, because MDE did not apply accountability grades in FY 2021, Clarksdale Collegiate did not receive an accountability grade. Clarksdale Collegiate is scheduled to receive its first accountability grade in the Fall of 2022, in the fifth year of the CSP grant.
- Ambition Prep’s first year of operation was in FY 2020. In FY 2020, Ambition Prep served kindergarten through 1st grade and in FY 2021 it served kindergarten through 2nd grade; however, because accountability grades are not applied until 4th grade, it did not receive an accountability grade in FY 2021. According to its contract, Ambition Prep’s first year to serve 4th grade is

²⁸ On March 19, 2020, the Mississippi State Board of Education approved the suspension of the Mississippi Statewide Accountability System for SY 2019-20 due to COVID-19 school closures occurring during state testing windows. Therefore, all districts maintained the same accountability designation in SY 2020-2021 as assigned in SY 2019-2020. Further, on October 21, 2021, MDE published the results of the assessments taken in the Spring of 2021; however, because there was no “growth component” against which to measure the Spring 2021 assessments (because there were no Spring 2020 assessments), MDE was not able to apply accountability grades in the Fall of 2021.

in FY 2023; therefore, Ambition Prep should receive its first accountability grade in FY 2023.

- Leflore Legacy Academy's first year of operation was in FY 2021. That year it served grade 6. It is currently in its second year of operation serving 6th and 7th grades; however, because MDE did not apply accountability grades in FY 2021, Leflore Legacy Academy did not receive an accountability grade. Leflore Legacy Academy is scheduled to receive its first accountability grade in the Fall of 2022, in the fifth year of the CSP grant.

At the end of the CSP grant period in September 2022, none of the schools that received CSP subgrants will have received multiple accountability grades by which to measure any improvement.

Progress toward Goal 3: Advance MCSAB's standing as a national leader in authorizing quality

MCSAB has made progress in implementing some of the recommendations NACSA provided in its 2020 evaluation of MCSAB's authorizing policies and practices. Most notably, MCSAB has developed a more robust performance framework which it will begin using in FY 2022.

As noted in PEER's 2020 annual charter schools report, NACSA's 2020 evaluation of MCSAB's authorizing practices focused on MCSAB's monitoring and renewal policies and practices. Since that time, MCSAB has made progress in the following areas:

School Monitoring and Intervention

NACSA reported that MCSAB's 2020 performance framework lacked methodological clarity and robust performance measures to accurately indicate performance to charter schools. MCSAB also had not utilized consistent intervention protocols, which limited the usefulness of the oversight it could have provided to keep charter schools on track towards performance goals. PEER recommended in its FY 2020 annual report on charter schools that MCSAB implement each of NACSA's recommendations, including:

- continuing to develop a robust performance framework that includes multiple metrics with clear and quantifiable targets for each measure; and,
- codifying an intervention protocol that includes appropriate interventions for all performance domains, particularly academic performance.

In response to these recommendations, MCSAB entered into a contract with a vendor in FY 2021 to develop a robust performance framework and to codify an intervention protocol. MCSAB will conduct a trial run of this new performance

framework in FY 2022 prior to full implementation of the framework.

School Renewal

NACSA reported that in 2020, MCSAB had granted renewal to Midtown Public although it had not met the terms of the performance framework; and that MCSAB's renewal decisions were not made in a timely manner so that schools and parents would know as early as possible whether the school would continue to operate the following year. PEER recommended in its FY 2020 annual report on charter schools that MCSAB also implement the following NACSA recommendations:

- grant renewal only to schools that have achieved the established performance expectations; and,
- revise the renewal process timeline to allow for earlier renewal decisions.

Smilow Prep was the only charter school whose term ended in FY 2021, and it therefore applied for renewal. The renewal recommendation report provided to MCSAB by a team of independent evaluators and two MCSAB staff noted that based on Smilow Prep's performance relative to the performance framework, it was eligible for renewal. The Board then voted at its June 2021 Board meeting to renew Smilow Prep's charter term for four years with conditions. (See discussion of Smilow Prep's charter renewal on page 14). Also, although MCSAB staff reported that it began working with Smilow Prep on its renewal application earlier than it had begun working with renewal applicants in prior years, PEER notes that MCSAB renewed Smilow Prep's charter term later in the year (June) than it had renewed previous charter terms (April).

Regarding progress made by Midtown Public in response to the conditions set forth for it upon its renewal in 2020, MCSAB staff reports that it could not track Midtown's achievement because of the disruption in the administration of assessments and application of accountability grades. Although MCSAB staff reported that Midtown has developed a written governance plan and has exceeded its projected enrollment of special education students, it is unclear whether the governance plan it provided was produced before or after Midtown's renewal, and MCSAB provided no evidence to PEER that Midtown exceeded its special education enrollment projections. MCSAB staff also reports—and provided documentation—that it conducts periodic check-ins with Midtown in order to keep abreast of its progress toward meeting the renewal conditions.

Recommendations

1. Under the current funding model, MCSAB receives 3% of the state and local funds received by charter schools. Therefore, the total amount of funds from sources available to charter schools on a per-pupil basis is less than the total amount of funds provided to public schools on a per-pupil basis. As such, to provide fully equitable state and local funding between public school and charter school pupils, the Legislature should consider amending MISS. CODE ANN. Section 37-28-11 (1) (1972) to remove the 3% funding MCSAB receives from charter schools' state and local revenue sources. The Legislature should also consider amending the same section to provide that MCSAB shall be annually funded from any funds available to the Legislature.

If the Legislature chooses to keep the 3%, it should consider amending MISS. CODE ANN. Section 37-28-11 (1) (1972) to allow for MCSAB to receive **up to** 3% of annual per-pupil allocations received by a charter school from state and local funds for each charter school it authorizes. Because the 3% fees alone have been sufficient to cover MCSAB's expenses for the past three fiscal years, MCSAB may be ready to operate on less state and local funds.

If the Legislature authorizes MCSAB to receive up to 3% of per-pupil allocations, then MCSAB should develop a policy for determining the appropriate calculation of fees for charter schools, based on several consecutive years of MCSAB's financial data.

2. Because MCSAB is defined as a state agency per MISS. CODE ANN. Section 37-28-7 (1972), the Legislature should consider enacting a separate appropriations bill for MCSAB. Such a bill should contain the total amount of funds appropriated for the operations of MCSAB and a total number of authorized full- and part-time positions.
3. In order to make the pro rata distribution of local ad valorem funds equitable between school districts and charter schools, MCSAB, in consultation with MDE, should submit to the Senate and House Education Committees by January 1, 2023, a proposed amendment to MISS. CODE ANN. Sections 37-28-55 (2) and (3) revising the calculation such that traditional public-school students and charter school students in those districts receive equal per-pupil local ad valorem funding.
4. Although MISS. CODE ANN. Section 37-28-7 (5) established staggered terms of office for the Board, this has resulted in three of the Board members rotating off in the same year and could impact the Board's quorum requirement. Because this issue will continue in the future, the Legislature should consider reconstituting the Board to establish terms of office that, when concluded, minimize the impact on the Board's

operations. For example, one Board member appointed by the Governor and one member appointed by the Lieutenant Governor could rotate off each year, leaving five Board members in place in any given year.

5. As recommended by NACSA, MCSAB should revise its renewal process timeline to allow for earlier renewal decisions so that parents and schools know as early as possible whether the school will continue to operate the following year.
6. To improve the effectiveness of its contracts for the CSP grant, MCSAB should include SMART metrics in its contracts and use these metrics to assess the contractor's performance over time (e.g., achieve an average satisfaction survey rating of at least a 4.0 on a 5.0 scale for all technical assistance provided).
7. To improve the relevance and utility of its technical assistance provider satisfaction survey, MCSAB should ensure that the survey design incorporates best practices. In particular, MCSAB should:
 - a. adjust the timing of its survey so that results are not skewed based on the approval or denial decisions of MCSAB;
 - b. consider conducting a survey after each phase of the application process; and,
 - c. revise ambiguous survey questions so that they are more clearly stated and provide for more targeted feedback.

MCSAB should use the results of the survey to guide the work of its technical assistance provider so that applicants receive the highest level of assistance possible during the application process.

Appendix A: Mississippi Charter School Authorizer Board Members for FY 2018 through FY 2021

FY 2018

Name	Appointed By
Tommie Cardin	Lt. Governor
Krystal Cormack	Governor
Dr. Karen Elam	Lt. Governor
Leland Speed	Governor
Chris Wilson	Governor
Dr. Carey Wright	State Superintendent
Dr. Jean Young	Lt. Governor

FY 2019

Name	Appointed By
Tommie Cardin	Lt. Governor
Dr. Karen Elam	Lt. Governor
Quentin Ransburg	State Superintendent
Leland Speed	Governor
Carolyn Willis	Governor
Chris Wilson	Governor
Dr. Jean Young	Lt. Governor

FY 2020

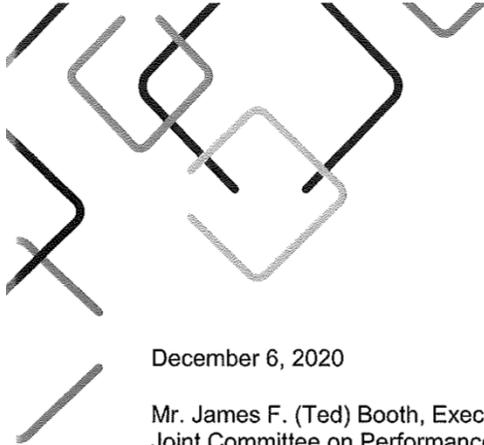
Name	Appointed By
Bill Billingsley	Lt. Governor
Jean Cook	State Superintendent
Leland Speed	Governor
Jennifer Jackson Whittier	Lt. Governor
Carolyn Willis	Governor
Vacant	Governor
Vacant	Lt. Governor

FY 2021

Name	Appointed By
Bill Billingsley	Lt. Governor
Jean Cook	State Superintendent
Mark Baker	Governor
Jennifer Jackson Whittier	Lt. Governor
Carolyn Willis	Governor
Don Hinton	Governor
Kimberly Remak	Lt. Governor

SOURCE: MCSAB and the Mississippi Legislature.

Agency Response



Pursuing Excellence Through Options

December 6, 2020

Mr. James F. (Ted) Booth, Executive Director
Joint Committee on Performance Evaluation and Expenditure Review (PEER)
P.O. Box 1204
Jackson, MS 39215

HAND DELIVERED

Dear Mr. Booth,

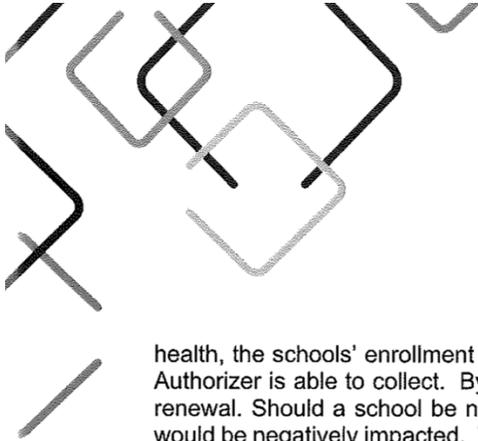
The Mississippi Charter School Authorizer Board (MCSAB) has reviewed the PEER Committee's FY2021 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board. The annually mandated report features an assessment of the sufficiency of funding for charter schools and the efficacy of the state formula for authorizer funding which are prescribed by the Mississippi Charter Schools Act of 2013. The Authorizer Board has prepared the following responses to the PEER Committee's recommendations:

Recommendation 1: Under the current funding model, MCSAB receives 3% of the state and local funds received by charter schools. Therefore, the total amount of funds from sources available to charter schools on a per pupil basis is less than the total amount of funds provided to public schools on a per-pupil basis. As such, to provide fully equitable state and local funding between public school and charter school pupils, the Legislature should consider amending MISS CODE ANN Section 37-28-11(1) (1972) to remove the 3% funding the MCSAB receives from charter schools state and local funding revenue sources. The Legislature should also consider amending the same section to provide that MCSAB shall be annually funded from any funds available to the Legislature.

If the Legislature chooses to keep the 3%, it should consider amending MISS. CODE ANN Section 37-28-11(1) (1972) to allow for MCSAB to receive **up to** 3% of annual per pupil allocations received by a charter school from state and local funds for each charter school it authorizes. Because the 3% fees alone have been sufficient to cover MCSAB's expenses for the past three fiscal years, MCSAB may be ready to operate on less state and local funds.

If the Legislature authorizes MCSAB to receive up to 3% of per pupil allocations, then MCSAB should develop a policy for determining the appropriate calculation of fees for charter schools based on several consecutive years of MCSAB's financial data.

Response to Recommendation 1: MCSAB **denies** the 3% fees alone are sufficient to cover expenses. The 3% funding received from the charter schools provides **over 68% of the Authorizer's appropriation**. It is important to consider the fact that funding structures vary from state to state and are based on many factors including the **number of operating charter schools**. Not only does the number of operating charter schools impact MCSAB's financial



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health, the schools' enrollment and actual MAEP receipts impact the overall amount of fees the Authorizer is able to collect. By statute, schools are provided a five year charter and subject to renewal. Should a school be non-renewed or have to close, operational dollars of the MCSAB would be negatively impacted. The Charter School Program (CSP grant) referenced in the PEER report, provides a substantial amount of resources not only to our schools through a sub-grant, but in terms of technical assistance to both eligible schools and the MCSAB. Those funds are only available through a no cost extension request subject to the annual approval of ED. Once the CSP closes out, the MCSAB will be at a significant disadvantage in its ability to provide support to interested applicants, subgrant recipients (start up schools) as well as support for staffing.

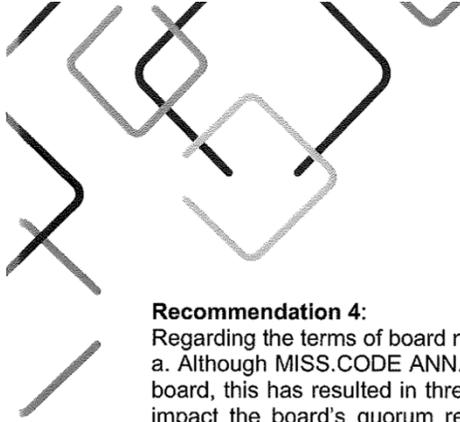
Additionally, as it is presented in the 2019, 2020 and 2021 PEER report, "there is no single formula for authorizer funding that is 'the best' for every state". Therefore, the MCSAB maintains the three percent authorizer fee is currently an essential factor in ensuring the agency has adequate funds to operate and execute its charter school authorizing functions successfully as aligned to national best practices. The MCSAB believes that eliminating the three percent authorizer fee would discontinue a significant stream of guaranteed funding. **Additionally, the elimination of the 3% fee would increase reliance on general funds and potentially impact charter growth over time.**

Recommendation 2: Because MCSAB is defined as a state agency per MISS. CODE ANN. Section 37-28-7 (1972), the Legislature should consider enacting a separate appropriations bill for the MCSAB. Such a bill should contain the total amount of funds appropriated for the operations of the MCSAB and a total number of authorized full and part-time positions.

Response to Recommendation 2: The MCSAB supports the recommendation that the Legislature should consider enacting a separate appropriation bill for the operations of this stand-alone agency. A request for a separate appropriation was made by the MCSAB to the Legislature during the 2021 session.

Recommendation 3: In order to make the pro rata distribution of local ad valorem funds equitable between school districts and charter schools, MCSAB in consultation with MDE, should submit to the Senate and House Education Committees by January 1, 2021 a proposed amendment to MISS CODE ANN. Sections 37-28-55(2) and (3) revising the calculation such that traditional public-school students and charter school students in those districts receive equal per pupil ad valorem funding.

Response to Recommendation 3: The MCSAB will take this recommendation under advisement.



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Recommendation 4:

Regarding the terms of board members:

a. Although MISS.CODE ANN. Section 37-28-7(5) established staggered terms of office for the board, this has resulted in three of the board members rotating off in the same year and could impact the board's quorum requirement. Because this issue will continue in the future, the Legislature should consider reconstituting the board to establish terms of office that, when concluded, minimize the impact on the board's operations. For example, one board member appointed by the Governor and one member appointed by the Lieutenant Governor could rotate off each year, leaving five board members in place in any given year.

Response to Recommendation 4: The MCSAB has taken the position the statute regarding board appointments is written correctly. However, if the Legislature would like to revise the staggering of terms or create a more definitive term defining the begin date and end date, MCSAB has no issue with new staggered terms and appreciates the effort to ensure the board has a full complement of members to avoid problems with establishing a quorum.

Recommendation 5: As recommended by NACSA, MCSAB should revise its renewal process timeline to allow for earlier renewal decisions so that parents and schools know as early as possible whether the school will continue to operate the following year.

Response to Recommendation 5:

The renewal timeline is largely driven by Miss. Code Ann. § 37-28-33. MCSAB staff took initial steps to begin the process earlier during the 2021 renewal cycle and agree that further steps may be in order to ensure schools and parents are aware of renewal decisions in a more timely manner.

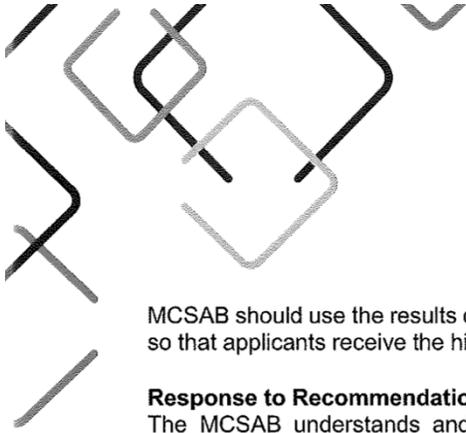
Recommendation 6: To improve the effectiveness of its contracts for the CSP grant, MCSAB should include SMART metrics in its contracts and use these metrics to assess the contractors' performance over time (e. g. achieve an average satisfaction survey rating of at least a 4.0 on a 5.0 scale for all technical assistance provided).

Response to Recommendation 6:

The MCSAB understands the importance of ensuring all contractors satisfactorily meet the terms and conditions relative to the scope of work outlined in their contract.

Recommendation 7: To improve the relevance and utility of its technical assistance provider satisfaction survey, MCSAB should ensure that the survey design incorporates best practices. In particular, MCSAB should:

- a. Adjust the timing of its survey so the results are not skewed based on the approval or denial decisions of MCSAB;
- b. Consider conducting a survey after each phase of the application process; and,
- c. Revise ambiguous survey questions so that they are more clearly stated and provide for more targeted feedback.



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MCSAB should use the results of the survey to guide the work of its technical assistance provider so that applicants receive the highest level of assistance possible during the application process.

Response to Recommendation 7:

The MCSAB understands and acknowledges the importance of utilizing surveys and other opportunities to gather input and feedback on the deliverables provided during its annual application cycle and relative to other Board operations in an effort to ensure continuous improvement. In addition to its survey of applicants, MCSAB engaged with NACSA in the fall of 2021 to review the entire application process. Initial feedback for possible action and or/revisions will be considered during the December 2021 board meeting.

Please feel free to contact MCSAB with any questions or concerns regarding the above response at lkarmacharya@mcsab.ms.gov

Best,

Lisa Karmacharya, Ed.D.
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